

HEADLINE REPORT

MEETING NAME BSC Panel

Meeting number 279

Date of meeting 14 June 2018

Purpose of paper For information

Classification Public

Synopsis This report sets out the headlines and key decisions of the most recent BSC Panel meeting.

MODIFICATION AND CHANGE BUSINESS (OPEN SESSION)

1. Change Report and progress of Modification Proposals - (279/03)

1.1 The Modification Secretary provided an update on open Modifications and Change Proposals and sought a two-month extension to the [P355 'Introduction of a BM Lite Balancing Mechanism'](#) Assessment Report.

1.2 The BSC Panel:

- a) **NOTED** the update; and
- b) **APPROVED** the request for a two month extension to the P355 Assessment Report.

2. Amendments to Section Z to better facilitate the production of the Risk Evaluation Methodology, Risk Evaluation Register and Risk Operating Plan – (279/04)

2.1 The Risk Evaluation Methodology (REM), Risk Evaluation Register (RER) and Risk Operating Plan (ROP) are produced annually in accordance with the Annual Performance Assurance Timetable. This proposal will amend provisions in the timing and revision of the three documents in order to better meet the objectives of the PAF Review.

2.2 The BSC Panel:

- a) **RAISED** the Modification Proposal in Attachment A (in accordance with F2.1.1(d)(vi));
- b) **AGREED** that this proposed Modification progresses directly to the Report Phase;
- c) **AGREED** that this proposed Modification:
 - o **DOES** better facilitate Applicable BSC Objective (d);
- d) **AGREED** an initial recommendation that this proposed Modification should be approved;
- e) **AGREED** an initial Implementation Date of 1 November 2018 as part of the November 2018 BSC Release;
- f) **AGREED** the draft legal text;
- g) **AGREED** an initial view that proposed Modification should be treated as a Self-Governance Modification; and
- h) **NOTED** that if raised, ELEXON will issue the draft Modification Report (including the draft BSC legal text) for a 10 Working Day consultation and will present the results to the Panel at its meeting on 12 July 2018.

HEADLINE REPORT

3. P361 'Revised treatment of BSC Charges for Lead Parties of Interconnector BM Units' – (279/06)

3.1 [P361](#) seeks to exclude Interconnector Balancing Mechanism (BM) Units from the Main Funding Share and SVA (Production) Funding Share BSC Charges, in order to better facilitate the European Union (EU) Third Package.

3.2 The BSC Panel:

- a) **AGREED** that the P361 Proposed Modification:
 - o **DOES NOT** better facilitate Applicable BSC Objective (c)
 - o **DOES NOT** better facilitate Applicable BSC Objective (e)
- b) **AGREED** that the P361 Alternative Modification:
 - o **DOES NOT** better facilitate Applicable BSC Objective (c)
 - o **DOES NOT** better facilitate Applicable BSC Objective (e)
- c) **AGREED** that the P361 Alternative Modification is better than the P361 Proposed Modification;
- d) **AGREED** an initial recommendation that the P361 Proposed Modification and the P361 Alternative Modification should be rejected;
- e) **AGREED** an initial Implementation Date for the Proposed and Alternative Modification of:
 - o 28 February 2019 as part of the February 2019 BSC Release.
- f) **AGREED** the draft legal text for the Proposed and Alternative Modification;
- g) **AGREED** an initial view that P361 should not be treated as a Self-Governance Modification;
- h) **AGREED** that P361 is submitted to the Report Phase; and
- i) **NOTED** that ELEXON will issue the P361 draft Modification Report (including the draft BSC legal text) for a 10 Working Day consultation and will present the results to the Panel at its meeting on 12 July 2018.

4. P362 'Introducing BSC arrangements to facilitate an electricity market sandbox' – (279/07)

4.1 [P362](#) proposes to enable Parties to be derogated from specific obligations in the BSC to enable pre-competitive and innovative products and services to be tested in the live environment for a limited period of time.

4.2 The BSC Panel:

- a) **AGREED** that the P362 Proposed Modification:
 - o **DOES** better facilitate Applicable BSC Objective (c);
 - o **DOES** better facilitate Applicable BSC Objective (d); and
- b) **AGREED** that the P362 Alternative Modification:
 - o **DOES** better facilitate Applicable BSC Objective (c);
 - o **DOES** better facilitate Applicable BSC Objective (d); and
- c) **AGREED** that the P362 Alternative Modification is better than the P362 Proposed Modification;

HEADLINE REPORT

- d) **AGREED** an initial recommendation that the P362 Alternative Modification should be approved and that the P362 Proposed Modification should be rejected;
- e) **AGREED** an initial Implementation Date for the Proposed and Alternative Modification of:
 - o 5 Working Days following the Authority's approval;
- f) **AGREED** the draft legal text for the Proposed Modification;
- g) **AGREED** the draft legal text for the Alternative Modification;
- h) **AGREED** an initial view that P362 should not be treated as a Self-Governance Modification;
- i) **AGREED** that P362 is submitted to the Report Phase; and
- j) **NOTED** that ELEXON will issue the P362 draft Modification Report (including the draft BSC legal text) for a 10 Working Day consultation and will present the results to the Panel at its meeting on 12 July 2018.

5. P344 'Project TERRE implementation into GB market arrangements' – (279/08)

5.1 [P344](#) seeks to align the Balancing and Settlement Code (BSC) with the European Balancing Project TERRE (Trans European Replacement Reserves Exchange) requirements. This is in order to allow the implementation of the TERRE balancing product at national level and hence ensure compliance with the European Electricity Balancing Guideline (EB GL).

5.2 The BSC Panel:

- a) **AGREED** that the P344 Proposed Modification:
 - o **DOES** better facilitate Applicable BSC Objective (c); and
 - o **DOES** better facilitate Applicable BSC Objective (e);
- b) **AGREED** that the P344 Alternative Modification:
 - o **DOES** better facilitate Applicable BSC Objective (c);
 - o **DOES** better facilitate Applicable BSC Objective (d); and
 - o **DOES** better facilitate Applicable BSC Objective (e);
- c) **AGREED** that the P344 Alternative Modification is better than the P344 Proposed Modification;
- d) **AGREED** a recommendation that the P344 Alternative Modification should be approved and that the P344 Proposed Modification should be rejected;
- e) **APPROVED** an Implementation Date for the Proposed and Alternative Modification of:
 - o 28 February 2019;
- f) **APPROVED** the draft legal text for the Proposed and Alternative Modification; and
- g) **APPROVED** the P344 Modification Report.

6. P359 'Mechanised Process for GC/DC Declarations' – (279/09)

6.1 [P359](#) seeks to introduce a new mechanised process for Generation Capacity (GC) and Demand Capacity (DC) re-declarations following a breach of Section K3.4.3.

6.2 The BSC Panel:

- a) **AGREED** that the P359 Proposed Modification:
 - o **DOES** better facilitate Applicable BSC Objective (c); and

HEADLINE REPORT

- **DOES** better facilitate Applicable BSC Objective (d);
- b) **AGREED** a recommendation that the P359 Proposed Modification should be **approved**;
- c) **APPROVED** an Implementation Date for the Proposed Modification of:
 - 28 February 2019, as part of the February BSC Systems Release
- d) **APPROVED** the draft legal text for the Proposed Modification;
- e) **APPROVED** the P359 Modification Report.

7. P367 'Removal of obsolete Supplemental Balancing Reserve (SBR) and Demand Side Balancing Reserve (DSBR) arrangements' – (279/10)

7.1 [P367](#) proposes to remove the SBR and DSBR arrangements from the BSC.

7.2 The BSC Panel:

- a) **AGREED** that P367:
 - **DOES** better facilitate Applicable BSC Objective (b); and
 - **DOES** better facilitate Applicable BSC Objective (d);
- b) **DETERMINED** (in the absence of any Authority direction) that P367 is a Self-Governance Modification Proposal;
- c) **APPROVED** P367;
- d) **APPROVED** an Implementation Date of 27 June 2019, as part of the scheduled June 2019 BSC Release;
- e) **APPROVED** the draft legal text;
- f) **APPROVED** the P367 Modification Report.

8. P366 'Change to Supplier Charge SP08a calculations to account for small scale non-domestic Non Half Hourly hard-to-read Meters' Significant Code Review Suitability Assessment Report – (279/11)

8.1 ELEXON presented the BSC Panel's Significant Code Review (SCR) Suitability Assessment Report for [P366](#). ELEXON has prepared this report on the Panel's behalf and submits it in accordance with BSC Section F5.2.2.

8.2 The BSC Panel:

- a) **AGREED** that P366 does not currently fall within the scope of any of the SCRs in the SCR Phase;
- b) **AGREED** that P366 is not a SCR Modification Proposal; and
- c) **AGREED** that the draft SCR Suitability Assessment Report is submitted to the Authority.

NON MODIFICATION BUSINESS (OPEN SESSION)

9. BSC Simplification Opportunities – (279/12)

9.1 ELEXON presented a paper highlighting two areas where the BSC arrangements could be simplified and recommends that the Panel raise two BSC Modifications.

9.2 The BSC Panel:

- a) **COMMENTED** on the two simplification opportunities;

HEADLINE REPORT

- b) **COMMENTED** on any other simplification opportunities that Panel believe ELEXON should consider; and
- c) **AGREED** that ELEXON draft two Modification Proposals which will be presented to the Panel for review and agreement.

10. Approval of BSC Panel Representative for Grid Code Review Panel – (279/13)

10.1 The Grid Code Review Panel (GCRP) consists of various members, including a person representing the BSC Panel. To date a member of ELEXON's Design Authority (DA) team has represented the BSC Panel at GCRP. ELEXON invites the BSC Panel to appoint a new BSC Panel GCRP representative from DA.

10.2 The BSC Panel:

- a) **APPOINTED** Jeremy Caplin to be the BSC Panel's representative on the Grid Code Review Panel; and
- b) **NOTED** Jeremy Caplin will appoint Nicholas Rubin as his alternate.

11. Potential BSC Impacts of New Technologies and Business Models – (279/14)

11.1 ELEXON presented a paper describing and categorising some of the new technologies and business models that we expect to impact electricity markets over the next few years, and highlights potential changes to BSC systems and processes that could facilitate these innovations.

11.2 The BSC Panel:

- a) **NOTED** the potential new business models and associated regulatory barriers identified in paragraph 2.1 of the paper; and
- b) **NOTED** the BSC initiatives to address these regulatory barriers identified in paragraph 3.1 of the paper.