

# 280/01 – ELEXON REPORT

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**MEETING NAME** BSC Panel

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**Date of meeting** 12 July 2018

**Paper number** 280/01

**Owner/author** Mark Bygraves

**Purpose of paper** For information

**Classification** Public

**Summary** This paper provides a summary of recent issues and developments relevant to the BSC and ELEXON since the last Panel meeting.

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## 1. Overview

1.1 This paper is provided for the information of the Panel. It presents an overview of activities and developments within ELEXON and the balancing and settlement arrangements and summarises the business of the Panel meeting. Detailed information on operational matters will be provided in other reports, particularly the Trading Operations Report.

## 2. ELEXON News

### Consultation Responses

2.1 We have responded to one consultation since our last update to the Panel as follows:

- The Department for Business, Energy and Industrial Strategy (BEIS)'s Consumer Green Paper consultation on modernising consumer markets. Our response included the following:
  - We described how some of our current work areas dovetailed with the consultation thinking on consumer data portability and on new entrants, including:
    - our [white paper](#) on enabling customers to buy power from multiple providers;
    - our work on [P344 'Project TERRE implementation into GB market arrangements'](#),
    - Market-wide Half Hourly Settlement; and
    - our work on the innovation sandbox ([P362 'Introducing BSC arrangements to facilitate an electricity market sandbox'](#)).

2.2 These consultation responses are available on the [industry insights](#) page of the ELEXON website.

### ELEXON in the news

#### ELEXON article in Power Engineering International

2.3 We recently submitted an article entitled 'Building an EV-ready energy market', which has been featured in the [June edition](#) of Power Engineering International.

2.4 In the article, we wrote about the unexpected rise in electric vehicles on Britain's roads, and how this is a game-changer for our energy network. We then go on to talk about how ELEXON is playing a crucial role in addressing EV challenges through our work such as leading on the design of market-wide Half Hourly (HH) Settlement.

- 2.5 We also took the opportunity to emphasise other work we are doing to support innovation and customer choice, including our white paper on enabling customers to buy power from multiple Suppliers and P362.

### Mark Bygraves in Utility Week

- 2.6 Following their series of 'CEO Insight' reports, which revealed what industry leaders find challenging about the current climate - including complex regulation, Mark Bygraves carried out an in depth interview with [Utility Week](#). Mark explained how, as well as focusing on its core BSC and EMR activities, ELEXON is enabling change and innovation and supporting its customers in the transformation of our energy industry.
- 2.7 Mark also highlighted how the development of our new agile, flexible, digitalised platforms means we will be able to accommodate more services as the market develops for the benefit of industry and its customers.

### ELEXON's message to Parties on digitising ELEXON's technology platform

- 2.8 Through Newscast and by letter, Mark provided a message to Parties on digitising ELEXON's platform. He noted that the electricity industry is undergoing an unprecedented amount of change driven by new regulations, new technologies, new business models and new service offerings. At ELEXON, we need to ensure we are responding to the industry's needs by not only continuing to deliver services to our historically high standards, but also adapting those services and the underlying technology platforms to meet the future needs of our customers.
- 2.9 ELEXON has therefore embarked on its Foundation Programme to re-architect its central systems to deliver a flexible, scalable, open platform to provide Settlement and other value-added services appropriate to the needs of the future market. Our Foundation Programme will allow us to provide customer-focused services able to adapt quickly to rapidly developing flexibility markets. Further details on the [Foundation Programme](#) can be found on the ELEXON website.
- 2.10 The Programme will be delivered in phases, with a roadmap that is flexible to meet industry priorities and leverage existing investments where possible. We have determined that delivery on the new platform of BSC changes relating to the mandatory European Trans European Replacement Reserves Exchange (TERRE) regulations, is an opportunity to reduce the overall cost to BSC Parties of this EU requirement when compared with developing TERRE on the existing technology and then again on the new platform.
- 2.11 Mark took the opportunity to reassure our customers of ELEXON's commitment to act as the administrator and operator of the BSC (and provider of settlement services for Contracts for Difference and the Capacity Market), and that we will continue to deliver our services effectively, efficiently and economically. As is our way, we will engage with Parties to help shape and test industry changes on the new platform and so will look to work with industry's Operations and IT/Architecture teams as would be expected with such a significant BSC change.

### Invitation to take part in the Participant Management Platform (PMP) User Group

- 2.12 One of the services we have embarked upon as part of the Foundation Programme is a Participant Management Platform (PMP) to support the BSC Market Entry and Registration processes. The PMP will provide digital BSC Procedure (BSCP) forms for registering information such as Parties' authorised signatories, market roles and Balancing Mechanism Units (BM Units) with self-service access to this registration data.
- 2.13 In order that the PMP considers Parties' needs as end users, we invite Parties to participate in our user group to help shape the end user experience. If you will be participating in the TERRE registrations working group, we will be aiming to schedule the PMP User Group on the same day (subject to availability of representatives across the industry).

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- 2.14 If Parties would like to find out more or wish to participate, they can register their interest and availability for the week commencing 16 July 2018 to [ParticipantManagementteam@elexon.co.uk](mailto:ParticipantManagementteam@elexon.co.uk).

### **ELEXON delivers its first round table on the topic of 'innovation'**

- 2.15 On Wednesday 20 June 2018, as part of our Introducing ELEXON Seminar, ELEXON held a round table discussion on the topic 'Innovation in the electricity industry: solutions and challenges'.
- 2.16 The event saw Dan Bentham, Head of R&D – Smart Customers at EDF Energy, Daniel Kirk, Head of Innovation Link at Ofgem, Antoine Khalife, Head of Product Strategy and Partnerships at Good Energy, David Richardson, Innovation Lead for Energy Systems at Innovate UK and Peter Frampton, Market Architect at ELEXON, discuss the challenges and solutions faced by innovators in today's electricity market.
- 2.17 The round table, moderated by Mark Bygraves, sparked a good Q&A session between the speakers and the audience. Questions ranged from the transition to a more transactional relationship between suppliers and customers and whether this was due to a push from new technologies or a pull from customers; what the new trading opportunities are from peer-to-peer trading solutions and how they interact with transmission and distribution charging regimes; how smart EV charging solutions can be incorporated into the system and what the importance of standardisation is, and how that impacts on innovation. The [full news report](#) can be found on the ELEXON website.

### **BSC Panel Elections 2018**

- 2.18 We have now distributed nomination forms to identified Trading Parties. Nominations must be sent by post to the Election Coordinator, Claire Kerr, to arrive by 17:00 on 25 July 2018. Nominations received after this date will be discounted.
- 2.19 We have published an [overview of the election process](#) on the ELEXON website including a BSC Panel Elections timetable, Determining Trading Party Groups information sheet and an information sheet on the role of a BSC Panel Member.
- 2.20 If you have any queries about the election, please contact the Election Coordinator, on 020 7380 4293 or email [PanelElections@elexon.co.uk](mailto:PanelElections@elexon.co.uk).

### **Annual BSC Report and Financial Statements for 2017/18 published**

- 2.21 The Annual BSC Report and ELEXON's Financial Statements for 2017/18 are now available on the [About ELEXON](#) area of our website.
- 2.22 The Annual BSC Report looks back at the BSC Panel's and ELEXON's activities over the 2017/18 BSC year; it highlights how ELEXON continues to be effective, efficient and economical in delivering the BSC, and how we are engaging with the many changes affecting the energy industry to ensure the BSC actively facilitates innovation for the benefit of GB energy markets.
- 2.23 If you have any queries about the Annual BSC Report or ELEXON's Financial Statements, please email [communications@elexon.co.uk](mailto:communications@elexon.co.uk).

### **New 'what ELEXON does' video now available**

- 2.24 We have developed a new video describing what ELEXON does, by explaining our role within the electricity industry in simple terms. This is available on our [YouTube channel](#).
- 2.25 Please send any feedback on our new video to [communications@elexon.co.uk](mailto:communications@elexon.co.uk).

## **3. Industry News**

### **European Developments**

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- 3.1 On 20 June 2018 and 21 June 2018, the European Network of Transmission System Operators for Electricity (ENTSO-E) held a two-day workshop on many of the implementation projects mandated by the European Electricity Balancing Guideline (EB GL), including the harmonisation of imbalance settlement, Projects TERRE and Manually Activated Reserves Initiative (MARI) etc.
- 3.2 ELEXON attended and also continues to support the ENTSO-E working group tasked with developing harmonisation of imbalance settlement proposals. We expect the mandatory public consultation on this to run from mid-July to end-September 2018.
- 3.3 The [P354 'Use of ABSVD for non-BM Balancing Services at the metered \(MPAN\) level'](#) Proposed Modification was approved by Ofgem on 18 June 2018 for implementation on 1 April 2020 as a standalone BSC Systems Release. This and the Electricity System Operator (ESO)'s C16 Applicable Balancing Services Volume Data (ABSVD) Methodology enable the implementation of Article 49 of the EB GL, which requires imbalance energy to be adjusted for all Balancing Services Providers.
- 3.4 In mid-June 2018, ELEXON attended a roundtable meeting with the Agency for the Cooperation of Energy Regulators (ACER), and other inside information platforms (IIP) providers on further potential changes to IIPs. Any changes determined by ACER are likely to be required in 2019.

### 4. Operational News

#### June 2018 Release Successfully Implemented

- 4.1 Five Change Proposals were successfully implemented on 28 June 2018:
  - [CP1498 'Updates to BSCP537 Appendix 1 'Self-Assessment Document' to incorporate an additional question for Meter Operator Agents on Meter Operation Code of Practice Agreement Accreditation'](#);
  - [CP1499 'Updates to BSCP537 Appendix 1 'Self-Assessment Document' to incorporate an additional question for Suppliers on Meter Operation Code of Practice Agreement Accreditation for Meter Operator Agents'](#);
  - [CP1500 'Amend the BSCP537 Appendices to add a requirement for Suppliers and MOAs to demonstrate the ability to send and receive Smart Meter Configuration details'](#);
  - [CP1501 'Correction to P302 footnote in BSCP504'](#); and
  - [CP1502 'Removal of the requirement to submit sampling data for Profile Classes 5-8 following the implementation of P272'](#).
- 4.2 More information on the complete scope, key dates and the impacted documents is available on the [June 2018 BSC Release](#) page of our website.

#### Market reports survey

- 4.3 We would like to gather feedback from BSC Parties on the usefulness or otherwise of our Market Reports which have been produced as a proof of concept on the [ELEXON Portal](#) from February 2018. In particular, to determine whether we should continue providing the reports. We designed Market Reports as an alternative way to access the Settlement Administration Agent (SAA) I014 sub-flow 2 Settlement Data. The goal was to provide an easier access to this type of Settlement Data.
- 4.4 There are three Market Reports, each aimed at providing a simple collated and aggregated version of Settlement Data that enable time series analysis and peer comparison:
  - Market Report 1A provides a summary of the core components for calculating the total cashflow that Parties pay in the Advice Notes. The data is summed for each Party on each Settlement Date;

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- Market Report 2A provides data that can be used to analyse and view trends of Trading Charges that are paid through the Funds Administration Advice Notes; and
  - Market Report 3A provides data on the operation of individual Balancing Mechanism (BM) Units for each BSC Party. It can be used to view the performance of BM Units and for reviewing the Generation and Demand Capacity.
- 4.5 BSC Parties are requested to fill in a [short online feedback form](#) by close of play 14 July 2018. If you require any further information, please email [market.operations@elexon.co.uk](mailto:market.operations@elexon.co.uk).

### EMR Update

- 4.6 The following EMR Circulars have been issued since the last Panel meeting:
- EMRC158: 'Introduction to EMR arrangements' event for Suppliers; and
  - EMRC159: Updates from LCCC on the Interim Levy Rate and Total Reserve Amount.
- 4.7 All EMR circulars are all available to download from the [EMR Circulars page](#) of the EMRS website.
- 4.8 Payments are being received in accordance with the agreed payment schedule, via the contract with LCCC and funded by its levy on industry, and we continue to maintain a positive cash-flow. 'Actual' resource utilisation is not materially different to 'budget' and 'forecast'.

### Planned downtime for deployment of BSC Central Systems technology upgrade

- 4.9 There was a period of planned downtime on the BSC Central Systems from 20:57 (BST) on Wednesday 27 June 2018 to 09:15 (BST) on Thursday 28 June 2018. This outage was required for the technology upgrade of the BSC Central Systems including the Balancing Mechanism Reporting Service (BMRS), Energy Contract Volume Aggregation Agent (ECVAA), Settlement Administration Agent (SAA), Central Data Collection Agent (CDCA) and Central Registration Agent (CRA).
- 4.10 During the period of planned downtime, BMRS did not publish data via the website or the API and Data Push services. The ECVAA application and web service were also be impacted by the outage.
- 4.11 To submit their data, Parties were required to arrange with their Party Agents to submit (before 20:57 (BST) on 27 June 2018), all contract notifications for the following:
- Settlement Periods 45 to 48 (inclusive) for 27 June 2018; and
  - Settlement Periods 1 to 21 (inclusive) on 28 June 2018.
- 4.12 Parties were also made aware that they may wish to submit contract notifications for Settlement Period 22 on 28 June 2018 before the downtime, as there was only 15 minutes between the end of the downtime and Gate Closure for Settlement Period 22. ELEXON Circular [EL02836](#) details more about the impact of this planned downtime.

## 5. Settlement Reform and support for Ofgem projects

### Ofgem Faster and More Reliable Switching

- 5.1 Ofgem published its [switching consultation](#) on 5 June 2018, with responses due by 31 July 2018. ELEXON intends to respond to this consultation.
- 5.2 The impact of the Switching Programme on the BSC is fairly limited, however the emerging Switching governance arrangements will be placed in the nascent Retail Energy Code (REC). This consultation seeks industry views on the optimum approach to designing, implementing and managing the REC, which is an opportunity for ELEXON.

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## 6. Summaries of Panel Business – Tabled

6.1 Summaries of papers considered and decisions made by the Panel Committees since the last Panel meeting can be found in their headline reports, included as attachments to this paper.

## 7. Recommendations

7.1 We invite you to:

- a) **NOTE** the contents of this paper.

## Appendices

Appendix A – ELEXON monthly KPIs

Appendix B – Report from the ISG

Appendix C – Report from the SVG

Appendix D – Report from the PAB

Appendix E – Report from the TDC

### **For more information, please contact:**

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