

# HEADLINE REPORT

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**MEETING NAME** BSC Panel

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**Meeting number** 280

**Date of meeting** 12 July 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.

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## MODIFICATION AND CHANGE BUSINESS (OPEN SESSION)

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### 1. Change Report and progress of Modification Proposals - (280/03)

1.1 The Modification Secretary provided an update on open Modifications and Change Proposals.

1.2 The BSC Panel:

a) **NOTED** the contents of the July Change Report.

### 2. P369 'National Grid Legal Separation changes to BSC' – (280/04)

2.1 [P369](#) proposes to modify the Balancing Settlement Code (BSC) to reflect the creation of a new National Grid Electricity System Operator (NGESO) that is legally separate from National Grid Electricity Transmission Limited (NGET).

2.2 The BSC Panel:

a) **AGREED** that P369 progresses directly to the Report Phase;

b) **AGREED** that P369:

o **DOES** better facilitate Applicable BSC Objective (a);

c) **AGREED** an initial recommendation that P369 should be approved;

d) **AGREED** an initial Implementation Date of 29 March 2019 as part of an March 2019 BSC Release;

e) **AGREED** the draft legal text;

f) **AGREED** the draft changes to the CSDs;

g) **AGREED** an initial view that P369 should not be treated as a Self-Governance Modification; and

h) **NOTED** that ELEXON will issue the P369 Draft Modification Report (including the draft BSC legal text and CSDs) for a 10 Working Day consultation and will present the results to the Panel at its meeting on 9 August 2018.

### 3. 'Allow the Panel to designate non-BSC Parties to raise Modifications' – (280/05)

3.1 This Modification seeks to allow the Panel to designate bodies representative of interested third parties to raise BSC Modifications and for the Authority to be the appeals body.

3.2 The BSC Panel:

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- a) **RAISED** the Modification Proposal in Attachment A (in accordance with F2.1.1(d)(i));
- b) **AGREED** that this proposed Modification progresses to the Assessment Procedure;
- c) **AGREED** the proposed Assessment Procedure timetable;
- d) **AGREED** the proposed membership for the Workgroup; and
- e) **AGREED** the Workgroup's Terms of Reference.

## 4. P361 'Revised treatment of BSC Charges for Lead Parties of Interconnector BM Units' – (280/06)

- 4.1 [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.
- 4.2 The BSC Panel:
  - a) **AGREED** that the P361 Proposed Modification:
    - **DOES NOT** better facilitate Applicable BSC Objective (e); and
    - **DOES NOT** better facilitate Applicable BSC Objective (c);
  - b) **AGREED** that the P361 Alternative Modification:
    - **DOES NOT** better facilitate Applicable BSC Objective (e); and
    - **DOES NOT** better facilitate Applicable BSC Objective (c);
  - c) **AGREED** that the P361 Alternative Modification is better than the P361 Proposed Modification;
  - d) **AGREED** a recommendation that both the P361 Proposed Modification and P361 Alternative Modification should be rejected;
  - e) **APPROVED** an Implementation Date for P361 of:
    - 28 February 2019 (as part of the February 2019 BSC Release);
  - f) **APPROVED** the draft legal text for the Proposed Modification;
  - g) **APPROVED** the draft legal text for the Alternative Modification; and
  - h) **APPROVED** the P361 Modification Report.

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

- 5.1 [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.
- 5.2 The BSC Panel:
  - a) **AGREED** that the P362 Proposed Modification:
    - **DOES** better facilitate Applicable BSC Objective (c);
    - **DOES** better facilitate Applicable BSC Objective (d); and
  - b) **AGREED** that the P362 Alternative Modification:
    - **DOES** better facilitate Applicable BSC Objective (c);

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- **DOES** better facilitate Applicable BSC Objective (d); and
- c) **AGREED** that the P362 Alternative Modification is better than the P362 Proposed Modification;
- d) **AGREED** that the P362 Alternative Modification should be approved and that the P362 Proposed Modification should be rejected;
- e) **APPROVED** an Implementation Date for the Proposed and Alternative Modification of:
  - 5 Working Days following the Authority's approval;
- f) **AGREED** that P362 should not be treated as a Self-Governance Modification;
- g) **APPROVED** the draft legal text and Code Subsidiary Document for the Proposed Modification;
- h) **APPROVED** the draft legal text and Code Subsidiary Document for the Alternative Modification; and
- i) **APPROVED** the P362 Modification Report.

## 6. P368 'Amendments to Section Z to better facilitate the production of the Risk Evaluation Methodology, Risk Evaluation Register and Risk Operating Plan' – (280/08)

- 6.1 [P368](#) seeks to amend provisions in the timing and revision of the Performance Assurance Framework (PAF) Procedure documents in order to support the objectives of the PAF Review in delivering a more efficient and effective PAF.
- 6.2 The BSC Panel:
- a) **AGREED** that the P368 Proposed Modification:
    - **DOES** better facilitate Applicable BSC Objective (d);
  - b) **DETERMINED** (in the absence of any Authority direction) that P368 is a Self-Governance Modification Proposal;
  - c) **APPROVED** P368;
  - d) **APPROVED** an Implementation Date of 1 November 2018 as part of the November 2018 BSC Release;
  - e) **APPROVED** the draft legal text; and
  - f) **APPROVED** the P368 Modification Report.

## 7. CP1506 'New Interconnector fuel type' – (280/09)

- 7.1 [CP1506](#) seeks to enable the Balancing Mechanism Reporting System (BMRS) to receive, store and publish data relating to the forthcoming Nemo Link Interconnector, by amending the Interface Design Document (IDD): Part 1 – Interfaces with BSC Parties and their Agents, with the proposed new Fuel Type Category.
- 7.2 The BSC Panel:
- a) **APPROVED** the proposed changes to the IDD: NETA Interface Definition and Design Part 1 – Interfaces with BSC Parties and their Agents for CP1506;
  - b) **APPROVED** the Nemo Link Interconnector as a Fuel Type Category under paragraph 6.1.18(I) of Section Q of the BSC; and
  - c) **APPROVED** CP1506 for implementation on 1 November 2018, as part of the November 2018 BSC Release.

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## NON MODIFICATION BUSINESS (OPEN SESSION)

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### 8. Metering Dispensations and non-standard BMUs – update – (280/10)

8.1 ELEXON provided the Panel with an update on the actions that it had taken to implement the recommendations from the review of Metering Dispensations and non-standard BM Units.

8.2 The BSC Panel:

- a) **NOTED** the progress made towards the implementation of the recommendations from the review of Metering Dispensations and non-standard BM Units.

### 9. Proposed approach to providing metered data for calculation of Final Consumption Levies (FCLs) – (280/11)

9.1 ELEXON presented a paper that proposed that ELEXON (as BSCCo) should consult interested parties on implementing new processes (under BSC governance) to ensure that Final Consumption Levies (FCLs) are not charged on imports to licensed (but Exemptable) generation. This would bring FCL charging processes in line with the Department for Business, Energy and Industrial Strategy (BEIS)/Ofgem Smart Systems and Flexibility Plan (published in July 2017). The paper also highlights related issues around network charging and exempt supply.

9.2 The BSC Panel:

- a) **NOTED** that BSC processes cannot currently identify electricity supplied to Licensed Exemptable generation, and as a result these imports are charged CFD and CM levies (contrary to the position stated in the BEIS/Ofgem Smart Systems and Flexibility Plan);
- b) **NOTED** that ELEXON, LCCC and EMRS are discussing how this issue could be solved using a hybrid approach, delivered under BSC governance but making use initially of EMR systems and data flows;
- c) **AGREED** that ELEXON should consult BSC Parties (and other interested parties e.g. licensed generators) on whether they support this hybrid approach (and the other points described in paragraphs 5.3 and 6.4 above), and bring the responses back to the BSC Panel for a decision; and
- d) **AGREED** that the consultation should be issued as soon as possible after Ofgem has published its decision on 'Clarifying the regulatory framework for electricity storage'.

### 10. Approval of Panel Meeting dates 2019

10.1 ELEXON presented a list of proposed dates for the BSC Panel meetings in 2019 and asked for Panel approval of those dates.

10.2 The BSC Panel:

- a) **APPROVED** the proposed Panel dates for 2019; and
- b) **APPROVED** their publication on the ELEXON website.