

HEADLINE REPORT

MEETING NAME	BSC Panel
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Meeting number	285
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Date of meeting	13 December 2018
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Purpose of paper	For information
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Classification	Public
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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)

1. Change Report and progress of Modification Proposals - (285/03)

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 December Change Report;
- b) **APPROVED** a request for a nine month extension to the [P332 'Revisions to the Supplier Hub Principle' Assessment Procedure](#);
- c) **APPROVED** a request for a two month extension to the [P363 'Simplifying the registration of new configurations of BM Units' / P364 'Clarifying requirements for registering and maintaining BM Units' Assessment Procedure](#); and
- d) **APPROVED** a request for a one month extension to the [P297 Receipt and Publication of New and Revised Dynamic Data Items' Implementation Date](#).

2. P374 'Aligning the BSC with the EB GL change process and derogation approach' - (285/04)

2.1 ELEXON informed the Panel on the progression options for [P374 'Aligning the BSC with the EB GL change process and derogation approach'](#), in order for it to make an informed decision on how best to further progress the Modification.

2.2 The BSC Panel:

- a) **NOTED** the update provided;
- b) **AGREED** that P374 progresses to the Assessment Procedure;
- c) **AGREED** the proposed Assessment Procedure timetable;
- d) **AGREED** the proposed membership for the P374 Workgroup; and
- e) **AGREED** the Workgroup's Terms of Reference.

3. P376 'Utilising a Baseline Methodology to set Physical Notifications for Settlement of Applicable Balancing Services' - (285/05)

3.1 [P376 'Utilising a Baseline Methodology to set Physical Notifications for Settlement of Applicable Balancing Services'](#) proposes to allow the Final Physical Notification which feeds into the Settlement of Trading Charges

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to be created via a Baselining Methodology. The new Physical Notification will be de-coupled from the Physical Notification used by National Electricity Transmission System Operator (NETSO) for dispatch. This change will allow Balancing Service Providers to be fully recompensed for their actual change from normal usage and the impact this change has on the system, thus enabling greater participation.

3.2 The BSC Panel:

- a) **AGREED** that P376 progresses to the Assessment Procedure;
- b) **AGREED** the proposed Assessment Procedure timetable;
- c) **AGREED** the proposed membership for the P376 Workgroup; and
- d) **AGREED** the Workgroup's Terms of Reference, including the two amendments agreed at the meeting.

4. P375 'Settlement of Secondary BM Units using metering at the asset' – (285/06)

4.1 [P375 'Settlement of Secondary BM Units using metering at the asset'](#) proposes to settle Secondary Balancing Mechanism (BM) Units using metering equipment behind the defined Boundary Point for Balancing Services (known as 'behind the Meter'), rather than settling using Metering Equipment at the Boundary Point as per current BSC obligations. This will allow balancing-related services on site to be separated from imbalance-related activities, more accurately reflecting the balancing-energy volumes provided by the Balancing Service Provider (BSP).

4.2 The BSC Panel:

- a) **AGREED** that that P375 progresses to the Assessment Procedure;
- b) **AGREED** the proposed Assessment Procedure timetable;
- c) **AGREED** the proposed membership for the P375 Workgroup; and
- d) **AGREED** the Workgroup's Terms of Reference, including the two amendments agreed at the meeting.

5. P370 'Allow the Panel to designate non-BSC Parties to raise Modifications' – (285/07)

5.1 [P370 'Allow the Panel to designate non-BSC Parties to raise Modifications'](#) seeks to allow the BSC Panel, instead of Ofgem, to designate interested third parties to raise Modification Proposals. The Proposed Modification has no route of appeal, whereas the Alternative Modification has a route of appeal to Ofgem for interested third parties and BSC Parties to appeal the designation decision made by the Panel.

5.2 The BSC Panel:

- a) **AGREED** that the P370 Proposed Modification:
 - i) **DOES** better facilitate Applicable BSC Objective (c);
 - ii) **DOES** better facilitate Applicable BSC Objective (d); and
- b) **AGREED** that the P370 Alternative Modification:
 - i) **DOES** better facilitate Applicable BSC Objective (c);
 - ii) **DOES** better facilitate Applicable BSC Objective (d); and
- c) **AGREED** that the P370 Alternative Modification is better than the P370 Proposed Modification;
- d) **AGREED** an initial recommendation that the P370 Alternative Modification should be approved and that the P370 Proposed Modification should be rejected;
- e) **AGREED** an initial Implementation Date for the Proposed Modification of:

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- i) 29 March 2019 if the Authority's decision is received on or before 22 March 2019; or
 - ii) Five Working Days after the Authority's decision if the Authority's decision is received after 22 March 2019.
- f) **AGREED** an initial Implementation Date for the Alternative Modification of:
- i) 29 March 2019 if the Authority's decision is received on or before 22 March 2019; or
 - ii) Five Working Days after the Authority's decision if the Authority's decision is received after 22 March 2019.
- g) **AGREED** the draft legal text for the Proposed and Alternative Modification;
- h) **AGREED** the draft redlining for BSCP40 for the Proposed and Alternative Modification;
- i) **AGREED** the draft Issue Group Terms of Reference;
- j) **AGREED** an initial view that P370 should not be treated as a Self-Governance Modification;
- k) **AGREED** that P370 is submitted to the Report Phase; and
- l) **NOTED** that ELEXON will issue the P370 draft Modification Report (including the draft BSC legal text and redlining) for a 15 Working Day consultation on 7 January 2019, and will present the results to the Panel at its meeting on Thursday, 14 February 2018.

NON MODIFICATION BUSINESS (OPEN SESSION)

6. 2018 Market Index Definition Statement Review – (285/08)

- 6.1 ELEXON has carried out the review of the Market Index Definition Statement (MIDS) as required at least annually by the BSC. After considering the analysis provided by ELEXON, the Imbalance Settlement Group (ISG) sought industry views on the current parameters weightings and products used. Following the consultation, the ISG recommended that changes are made to the MIDS.
- 6.2 The BSC Panel:
- a) **NOTED** the ISG's recommendations; and
 - b) **AGREED** that changes are made to the Market Index Definition Statement (MIDS), in line with the ISG's recommendations.

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7. 'Amending Gate Closure references in Market Index Data' – (285/09)

- 7.1 This Modification proposes to include data up to the Submission Deadline, instead of Gate Closure, in the Market Index Data calculations by replacing references to 'Gate Closure' with 'Submission Deadline'. ELEXON recommended that the Panel raise this Modification Proposal in accordance with the provisions of Section F2.1.1(d)(i).
- 7.2 The BSC Panel:
- a) **RAISED** the Modification Proposal in Attachment A (in accordance with F2.1.1(d)(i));
 - b) **AGREED** that the Modification Proposal progresses directly to the Report Phase;

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- c) **AGREED** that the Modification Proposal:
 - i) **DOES** better facilitate Applicable BSC Objective (d);
- d) **AGREED** an initial recommendation that the Modification Proposal should be approved;
- e) **AGREED** an initial Implementation Date of:
 - i) 29 March 2019 if an Authority decision is received on or before 22 February 2019; or
 - ii) 5 weeks after Ofgem approval if an Ofgem decision is received after 22 February 2019.
- f) **AGREED** the draft legal text;
- g) **AGREED** the draft changes to the MIDS;
- h) **AGREED** that the Modification Proposal should not be treated as a Self-Governance Modification; and
- i) **NOTED** that ELEXON will, subject to Panel agreement, issue the Draft Modification Report (including the draft BSC legal text and draft MIDS) for a 10 Working Day consultation and will present the results to the Panel at its meeting on 10 January 2018.

8. CP1511 'Clarification of BSCP40 definitions and processes' – (285/10)

- 8.1 [CP1511 'Clarification of BSCP40 definitions and processes'](#) seeks to implement a number of clarification and improvement changes relating to the BSC Baseline Statement and Configurable Items. These changes include clarifying the definitions of Baseline, Baseline Statement, and Configurable Item. As well as formalising the categorisation of Configurable Items, including the introduction of a new category; Category 3 Configurable Item. ELEXON invited the Panel to approve the proposed changes to BSCP40.
- 8.2 The BSC Panel:
 - a) **APPROVED** the proposed changes to BSCP40 for CP1511; and
 - b) **APPROVED** CP1511 for implementation on 29 March 2019 as part of the March 2019 ad hoc BSC Release.

NON MODIFICATION BUSINESS (OPEN SESSION)

9. Ofgem request for information – (285/11)

- 9.1 ELEXON notified the Panel of a request for information received from the Authority, related to the rollout of smart Meters.
- 9.2 The BSC Panel:
 - a) **NOTED** the request for information.

10. Approval of Configurable items for P369 'National Grid Legal Separation changes to BSC' – (285/12)

- 10.1 [P369 'National Grid Legal Separation changes to BSC'](#) has been approved for implementation on 29 March 2019. ELEXON invited the Panel to approve the BSC Configurable Items amended for P369.
- 10.2 The BSC Panel:
 - a) **NOTED** that no Industry comments were received on the BSC Configurable Items amended for P369; and

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b) **APPROVED** the BSC Configurable Items amended for P369 to become effective on 29 March 2019.

11. De Minimis Acceptance Threshold (DMAT) and Continuous Acceptance Duration Limit (CADL) Parameter Review – (285/13)

11.1 The De Minimis Acceptance Threshold (DMAT) and Continuous Acceptance Duration Limit (CADL) are two pricing parameters used to classify and remove balancing actions from the Imbalance Price Calculation. Following attendance at the September and October ISG to present our initial analysis, and presenting the views of Industry at the November ISG, the ISG agreed with the recommendation that DMAT be reduced from 1MWh to 0.1MWh and CADL be reduced from 15 minutes to 10 minutes. ELEXON invited the Panel to seek approval for the recommended changes from the Authority.

11.2 The BSC Panel:

- a) **NOTED** the recommendation of the ISG, the analysis and consultation responses provided;
- b) **AGREED** that DMAT be set to 0.1MWh and CADL to 10 minutes on 1 April 2019;
- c) **SOUGHT** approval from the Authority that DMAT be set to 0.1MWh and CADL to 10 minutes; and
- d) **AGREED** that the next review of DMAT and CADL be held in two years' time.

12. BSCCo Business Plan 2019-2020 – (285/14)

12.1 ELEXON invited the Panel to note the draft BSCCo Business Plan and Budget for 2019-2020.

12.2 The BSC Panel:

- a) **NOTED** the intended publication of the BSCCO Business Plan w/c 17 December 2018 and the invitation to industry to comment prior to 21 January 2018; and
- b) **AGREED** that the Panel wishes to provide its own comments and so nominated Phil Hare, Mitch Donnelly, Diane Dowdell and Derek Bunn to prepare a response for submission prior to 22 January 2018.