

Public

BSC Panel 287

14 February 2019

ELEXON

Health & Safety

In case of an emergency

An alarm will sound to alert you. The alarm is tested for fifteen seconds every Wednesday at 9.20am

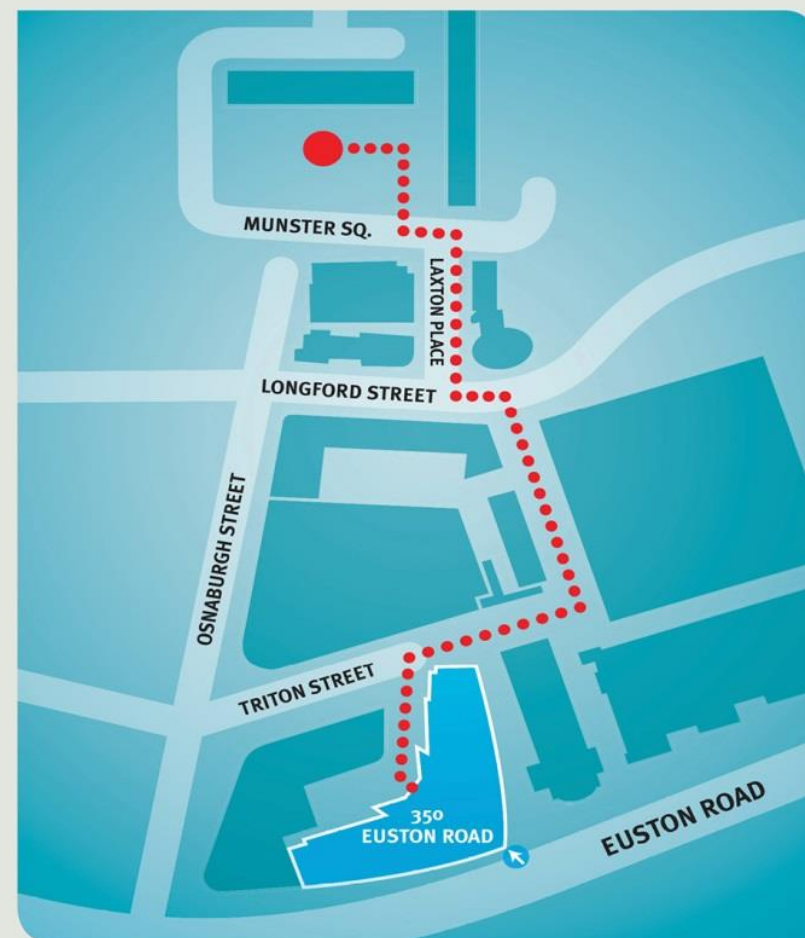
Evacuating 350 Euston Road

- If you discover a fire, operate one of the fire alarms next to the four emergency exits.
- Please do not tackle a fire yourself.
- If you hear the alarm, please leave the building immediately.
- Evacuate by the nearest signposted fire exit and walk to the assembly point.
- Please remain with a member of ELEXON staff and await further instructions from a Fire Warden.
- For visitors unable to use stairs, a Fire Warden will guide you to a refuge point and let the fire brigade know where you are.

When evacuating please remember

- Do not use the lifts.
- Do not re-enter the building until the all clear has been given by the Fire Warden or ground floor security.

Our team on reception is here to help you, if you have any questions, please do ask them.



***Please note** that we record BSC Panel meetings for quality and training purposes. We do not publish these recordings. However, they may be shared with Panel members and the appointed attendees from Ofgem and Distribution Businesses as well as the BSC Auditor and employees of ELEXON Ltd. By attending and/or participating in the BSC Panel meeting you agree that your contributions at the Panel meeting will be recorded.

Public

Recent trends in the energy market – Ofgem's State of the Energy Market Report

Verbal

14 February 2019
Maureen Paul - Ofgem

Ofgem's State of the Market 2018

Thursday, 14 February 2019



Maureen Paul
Head of Analytical Strategy &
Head of Economics Community, Ofgem



Lower bills and better quality of service



Competition – We assess competition in Great Britain’s energy wholesale and retail markets



Lower environmental impacts



Decarbonisation – We look at how the energy market is contributing towards the wider economy’s climate targets



Improved reliability and safety



Security of supply – We analyse Great Britain’s energy system performance in delivering reliable supplies of energy

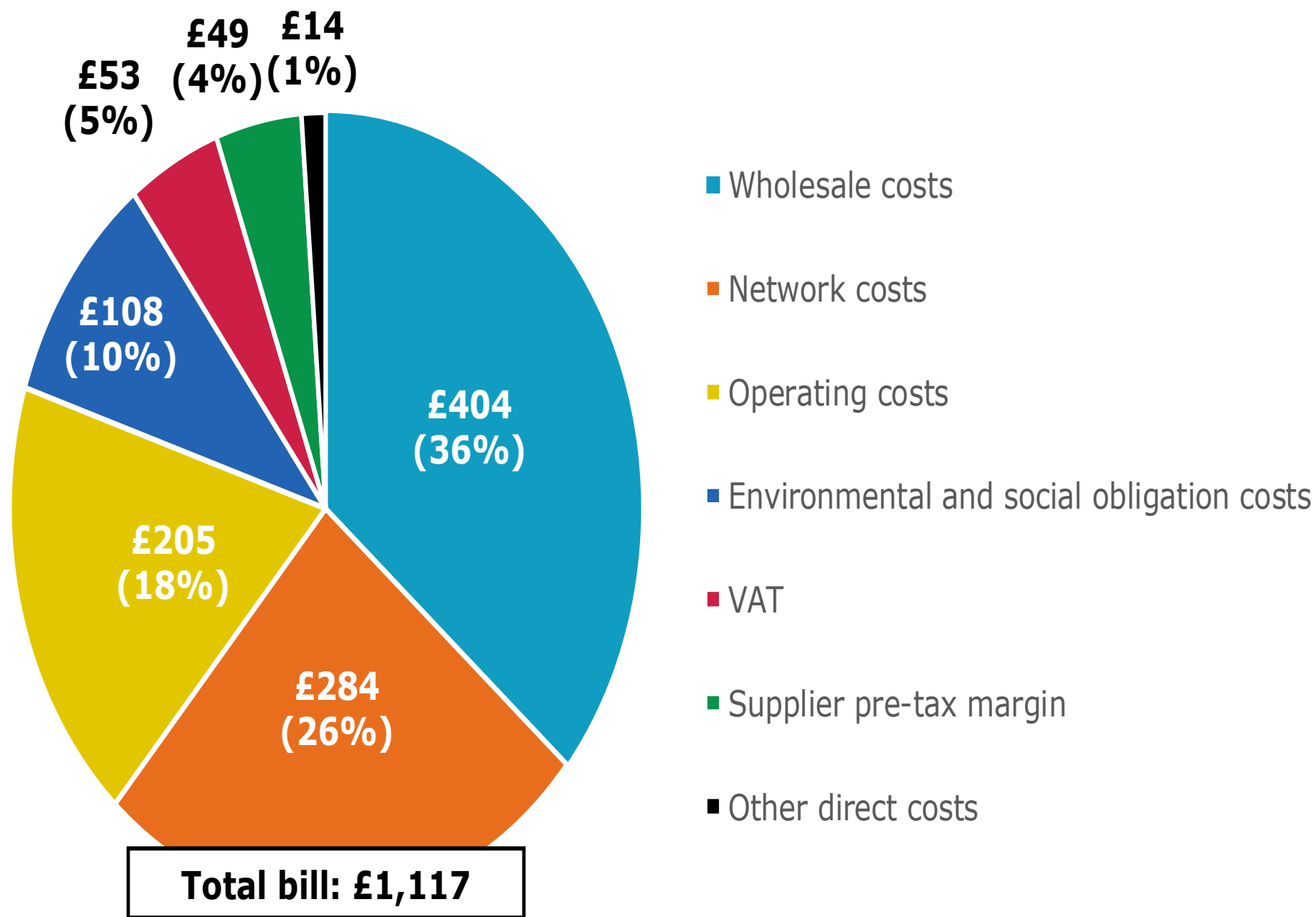


Better social outcomes



Affordability and vulnerability – We consider how affordable energy is for consumers, and particularly those in vulnerable situations.

Cost of energy bills, 2017 average



- 1. Wholesale markets:** Competition in the wholesale gas and electricity markets continue to improve but policy costs mean that electricity prices are higher than other European countries
- 2. Retail markets:**
 - Competition has brought more choice than ever to active consumers but more than half of customers are still on expensive tariffs
 - Competition works better in the non-domestic market but many microbusinesses are paying much more on average than other businesses
- 3. Decarbonisation:** The UK has made progress towards its carbon reduction targets to 2022, with improvements driven by the power sector and the carbon price in particular. Some other policies have been relatively expensive in reducing carbon emissions.
- 4. Security of supply:** the Beast from the East produced challenges for the energy system, particularly in gas but our energy supplies remained secure and resilient
- 5. Affordability and vulnerability:** energy bills have fallen but many vulnerable consumers are still paying too much for their energy

State of the Market Report: Wholesale Markets



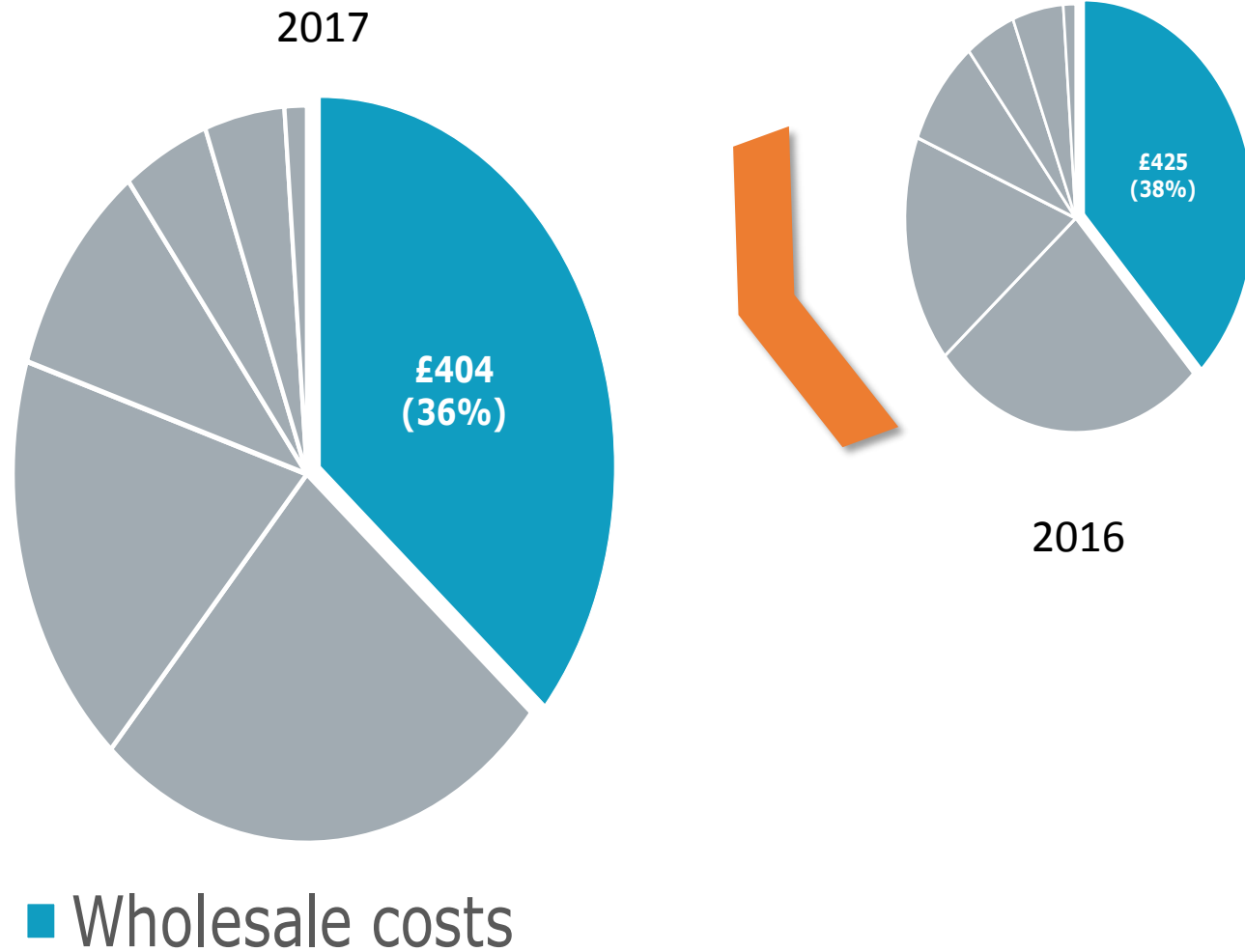
1. Wholesale markets

2. Retail markets

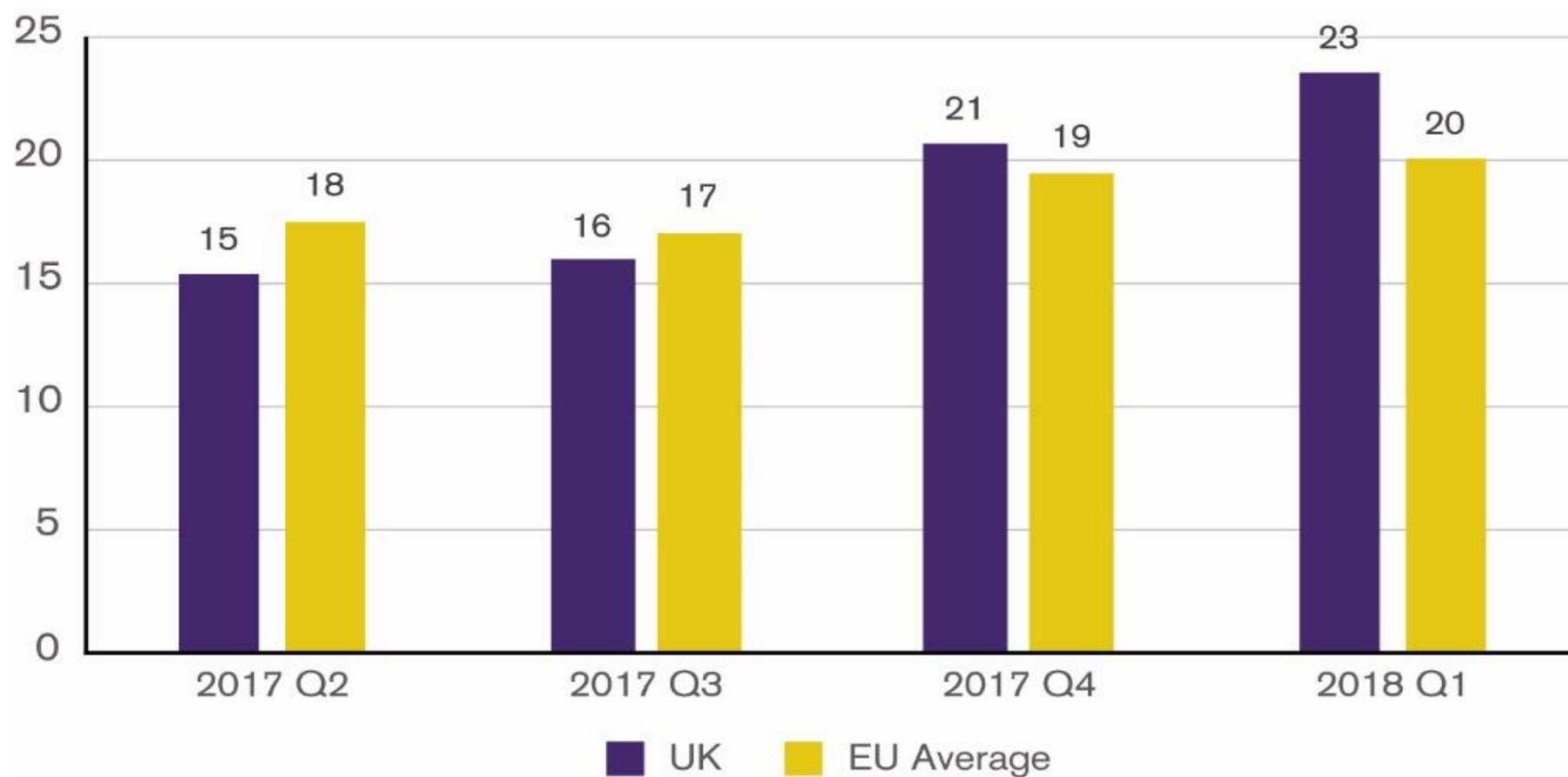
3. Decarbonisation

4. Security of supply

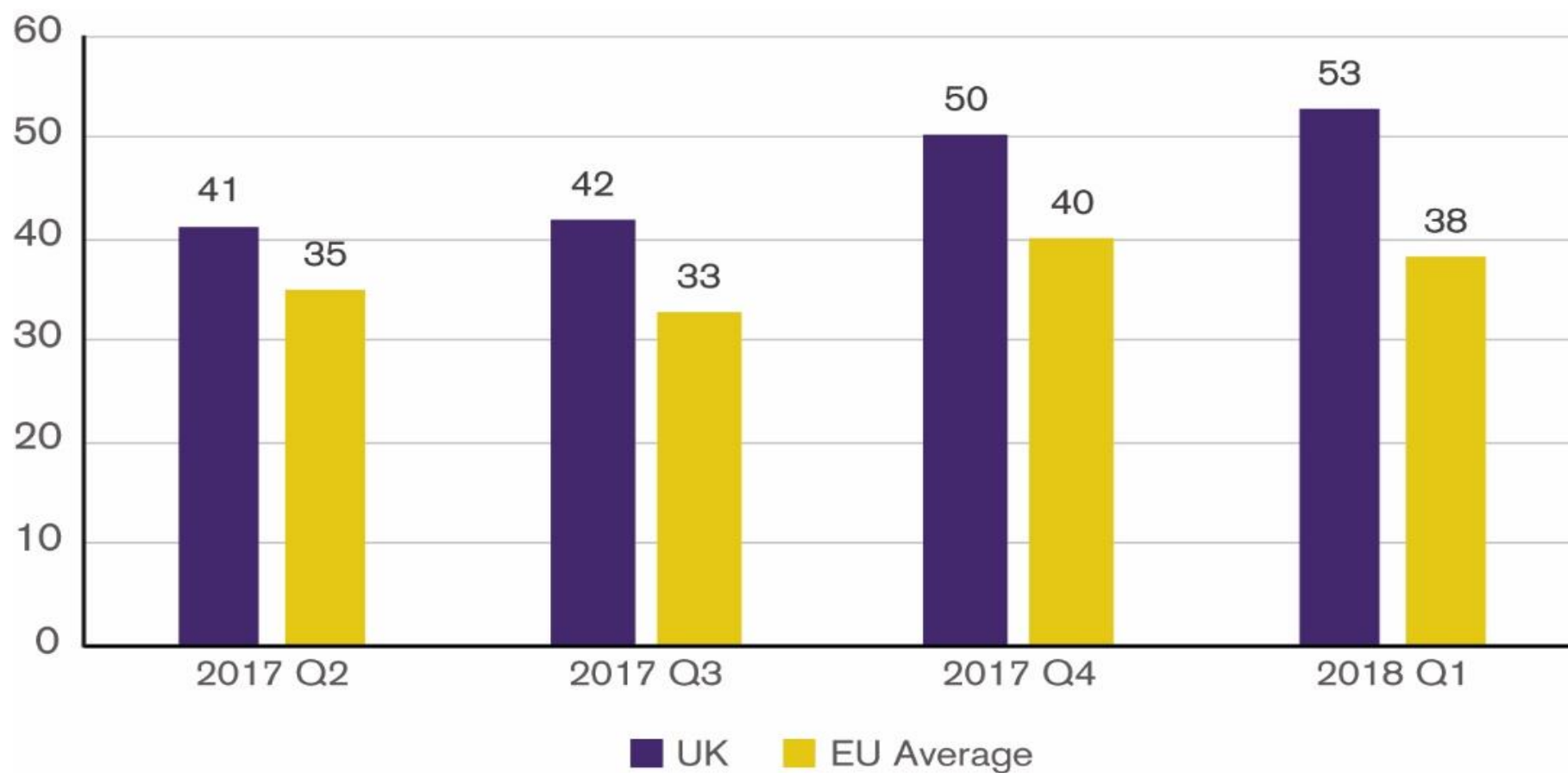
5. Affordability and vulnerability



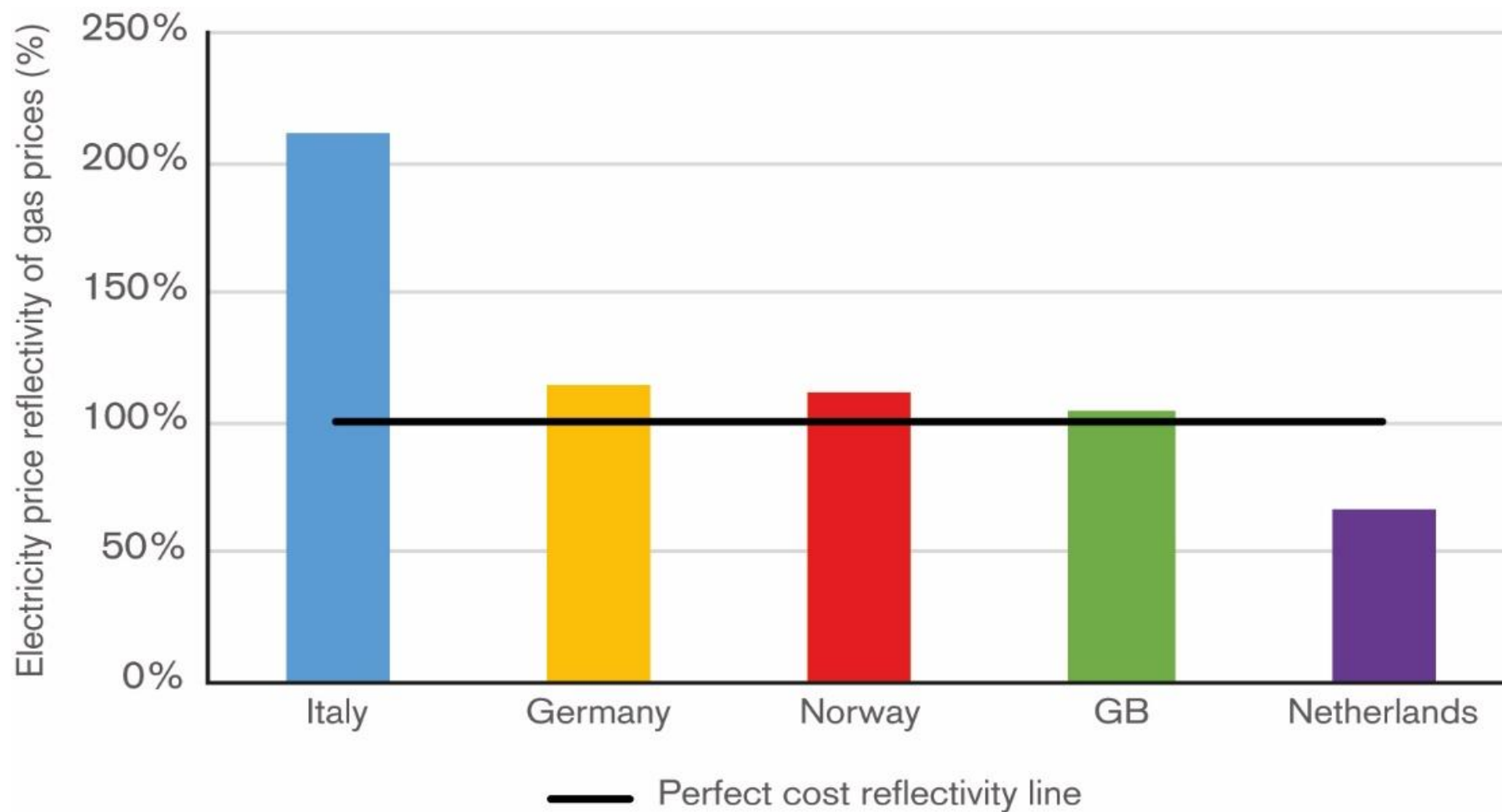
Average European wholesale gas prices, nominal prices (£/MWh)



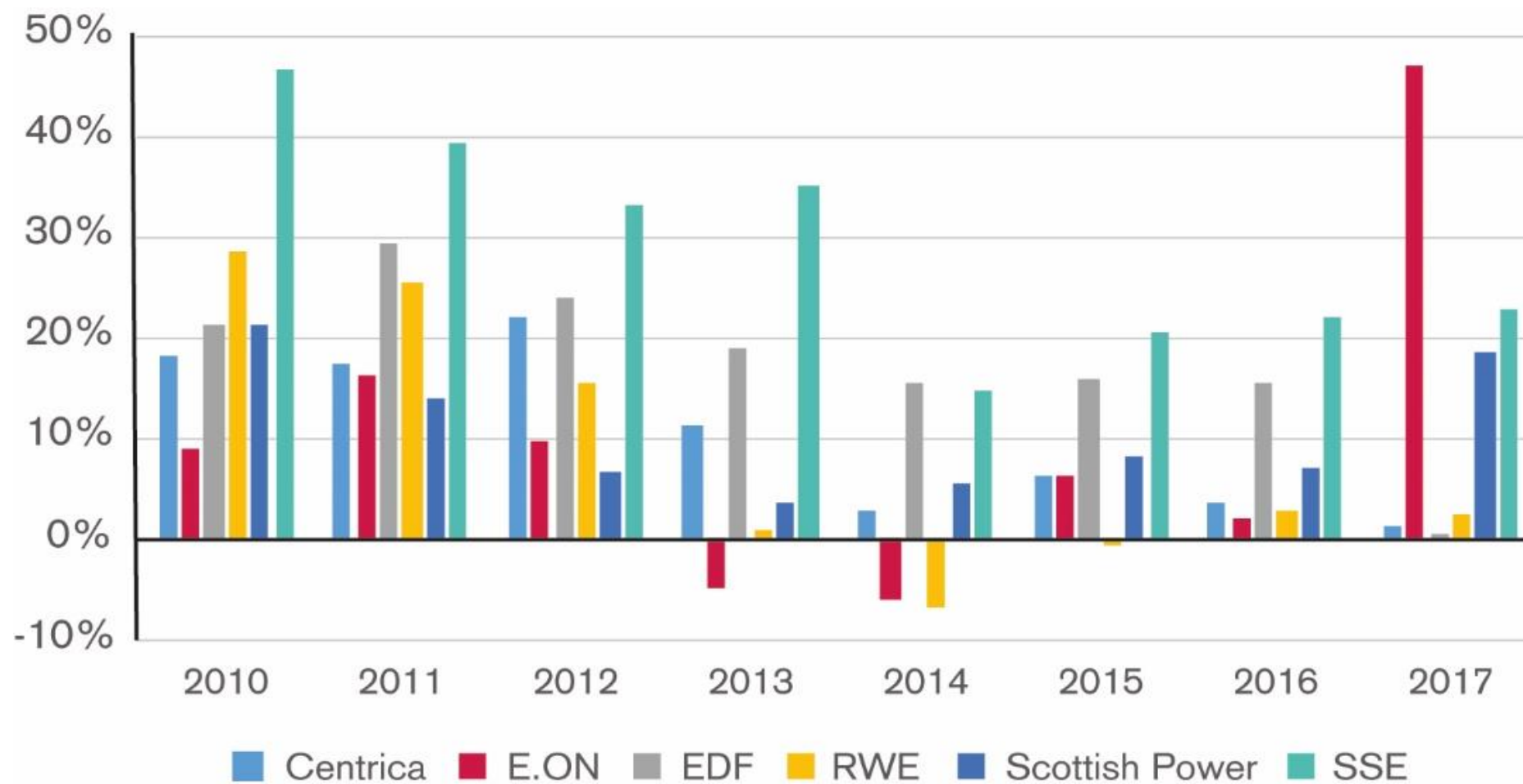
Average European wholesale electricity, nominal prices (£/MWh)



Average annual gas price pass-through rate during 2012–2017



Generation profit margins of large suppliers



State of the Market Report: Retail Markets



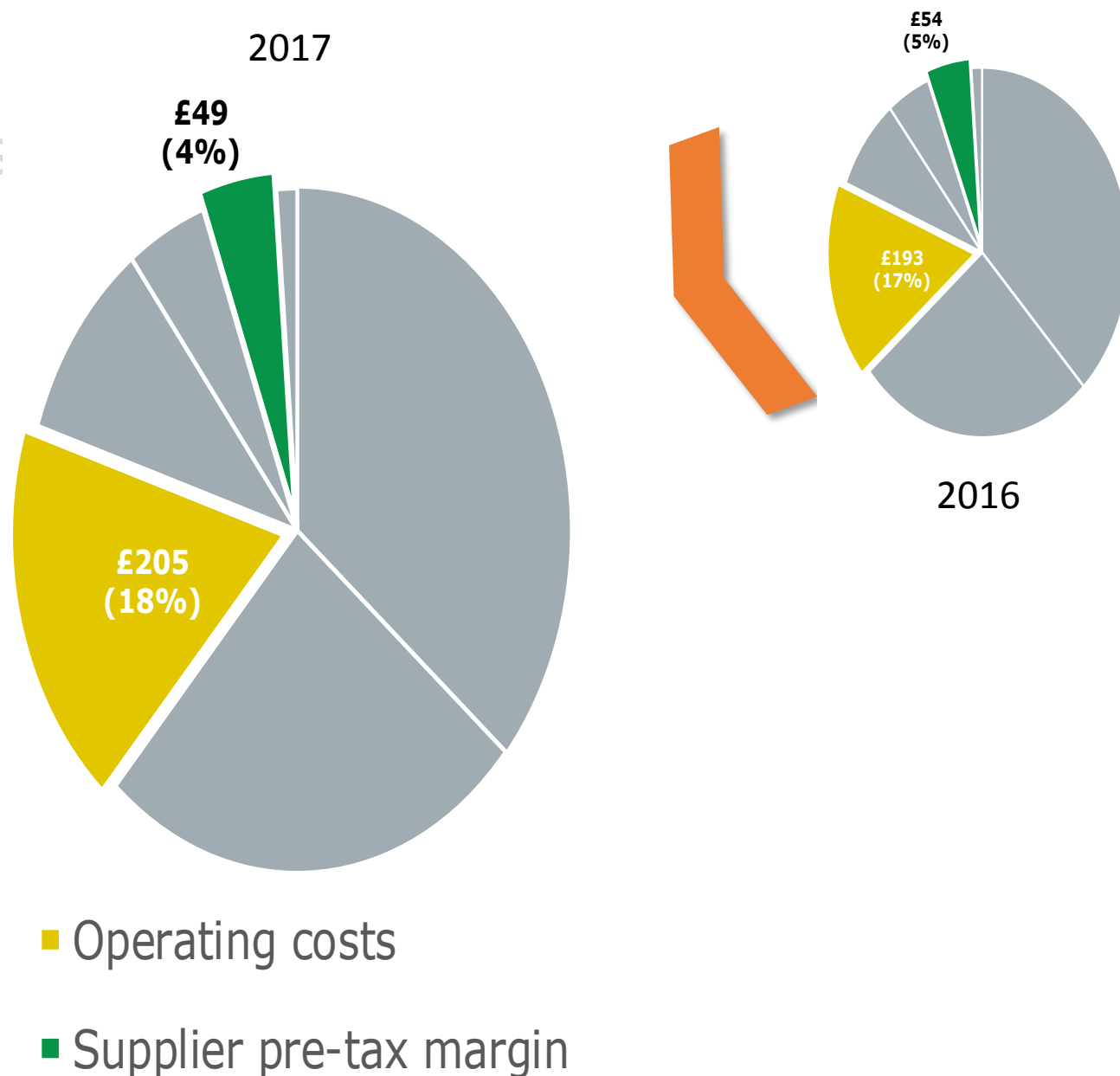
1. Wholesale markets

2. Retail markets

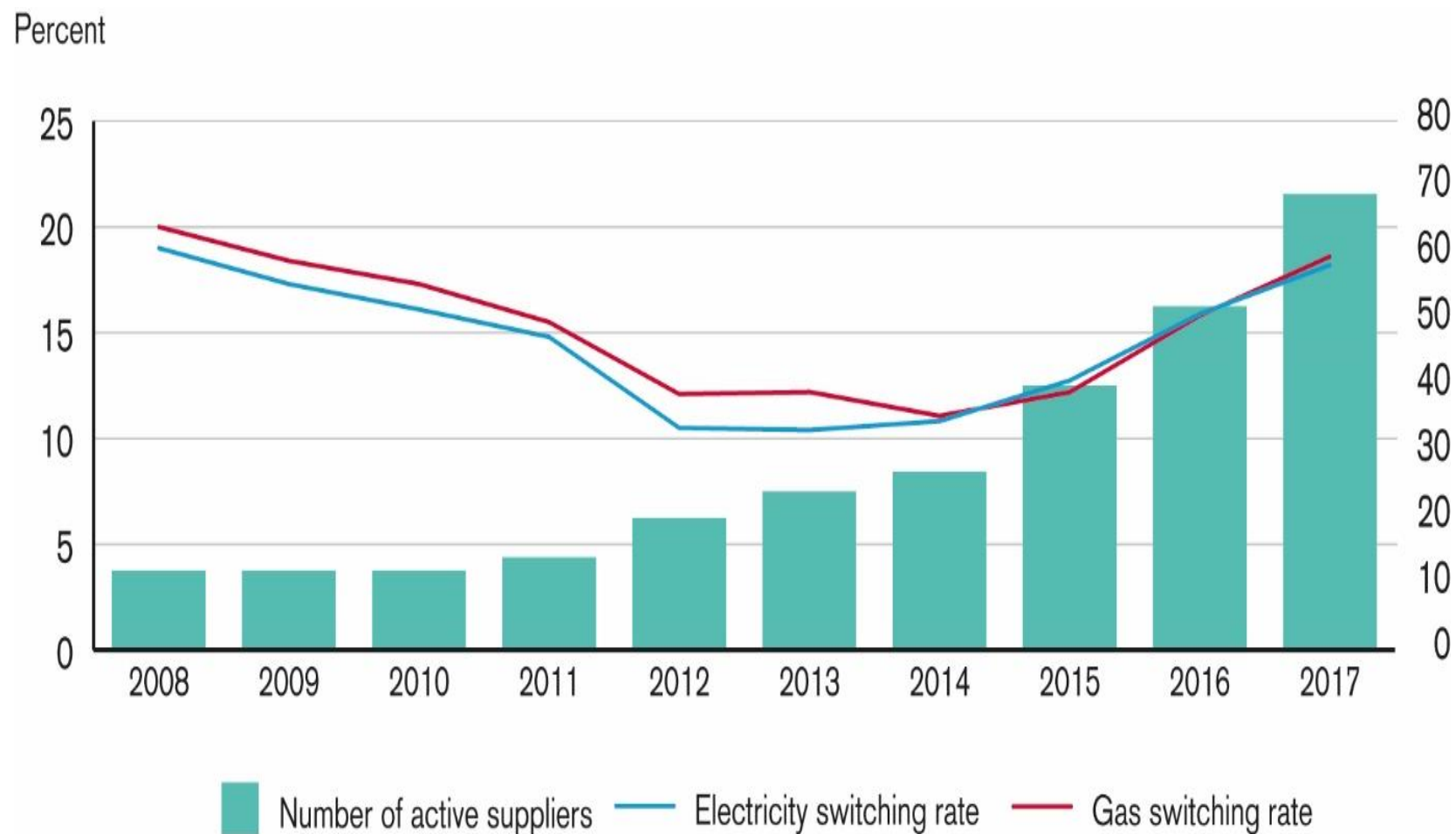
3. Decarbonisation

4. Security of supply

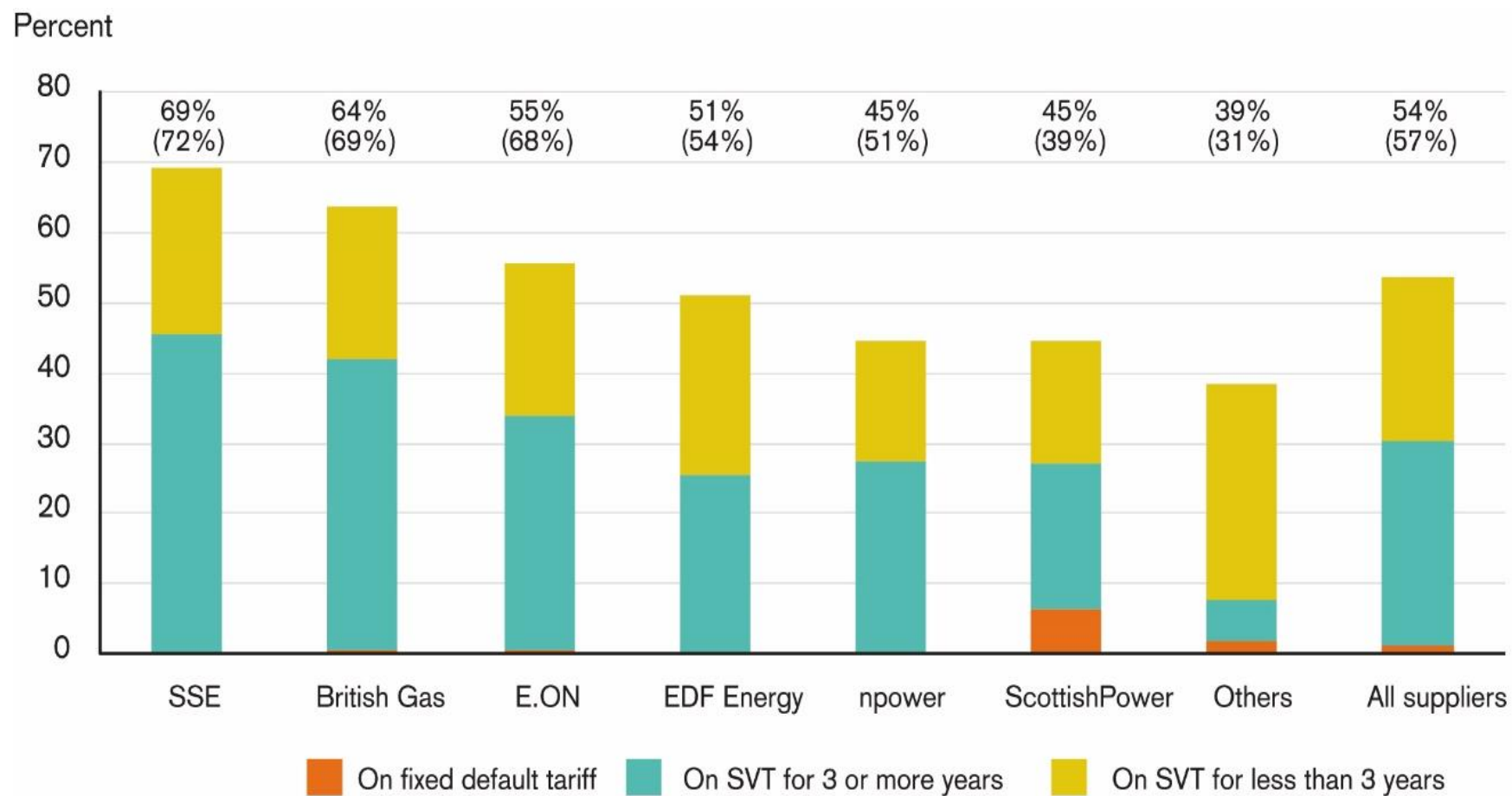
5. Affordability and
vulnerability



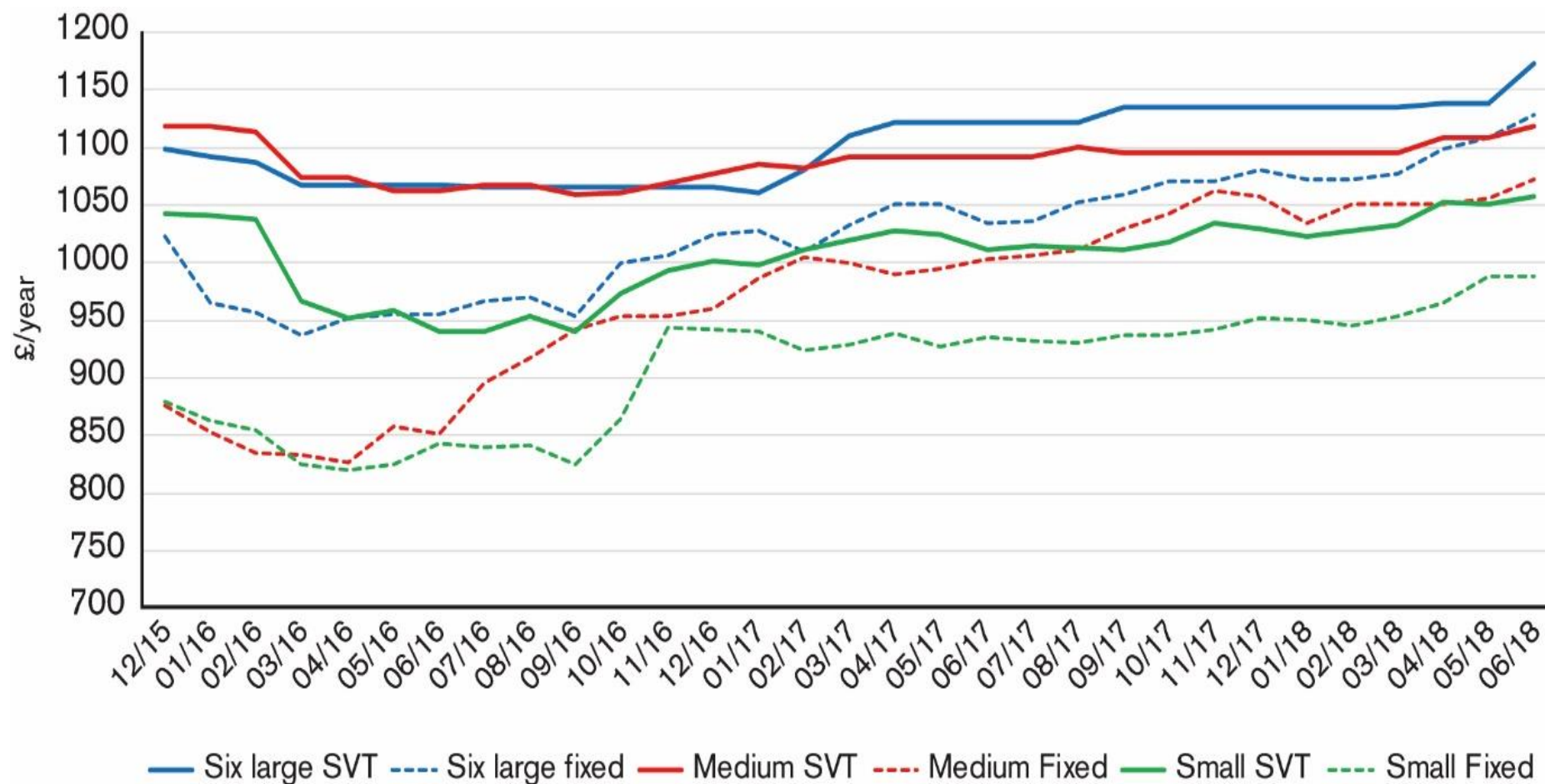
Annual switching rates and number of active suppliers



Proportion of customer accounts on default tariffs



Average tariff prices over time split by supplier size

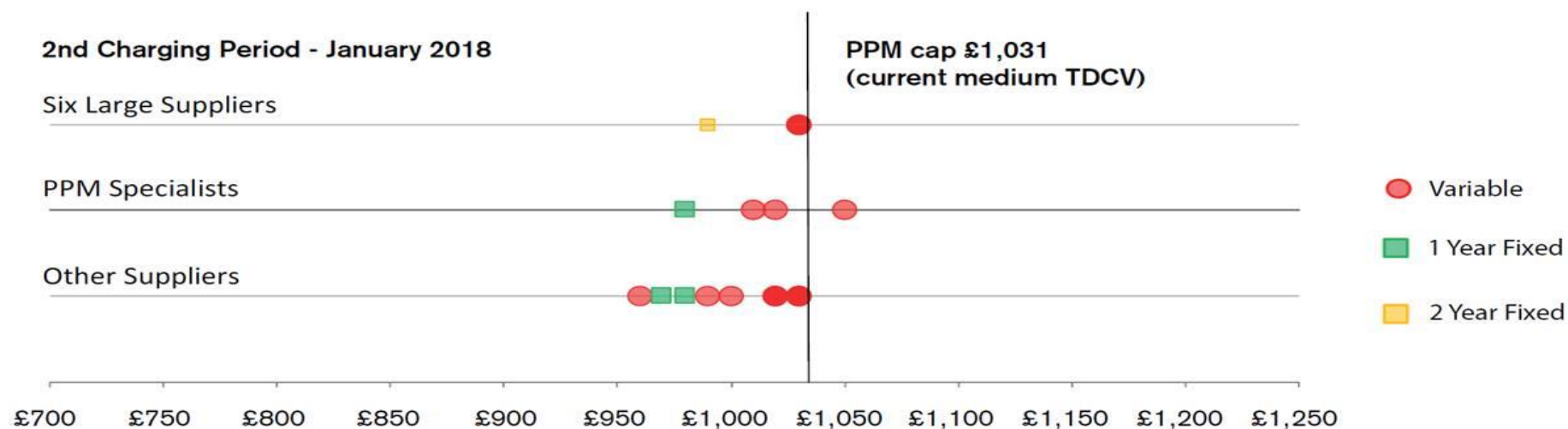


PPM dual fuel tariffs before and after the introduction of the PPM safeguard tariff

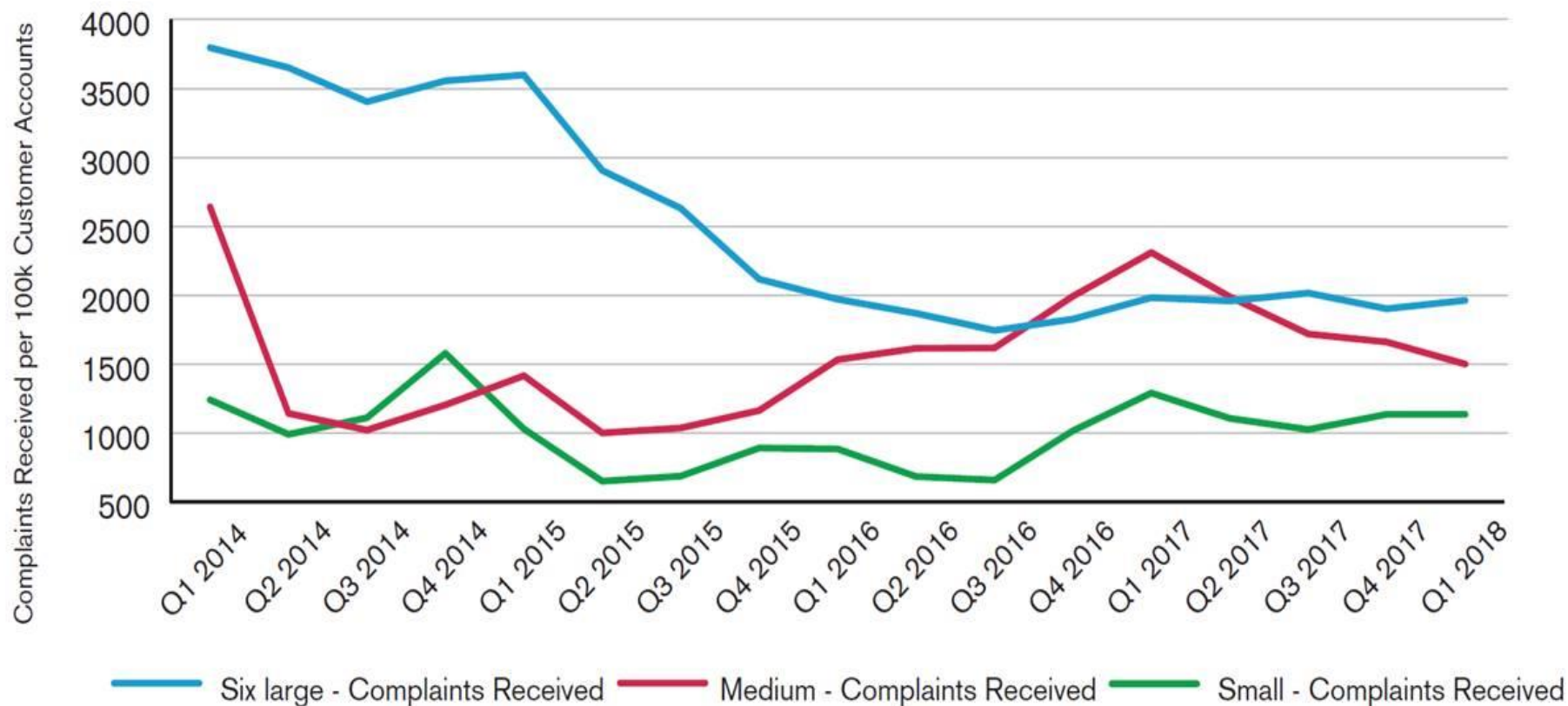
Before the cap - January 2017



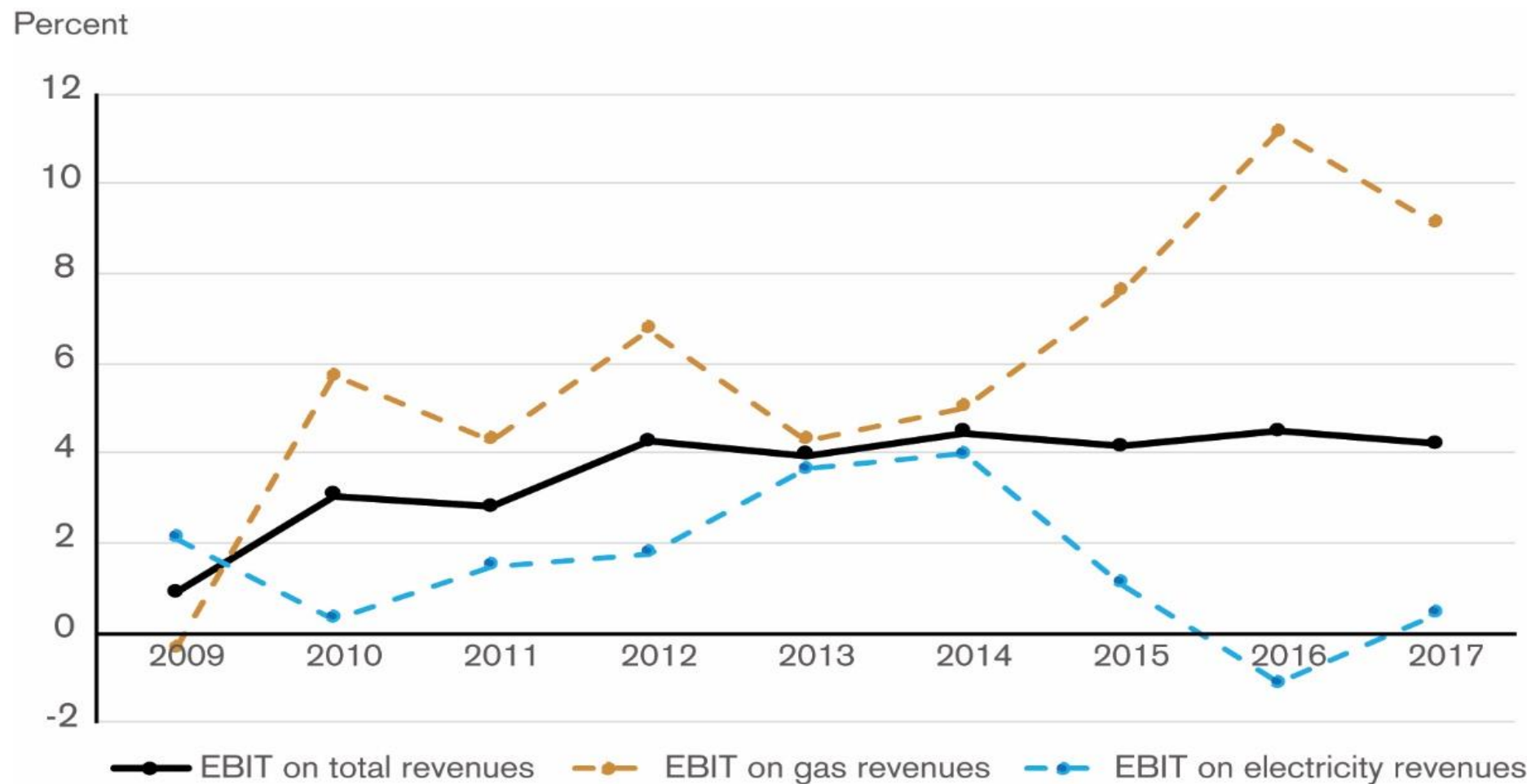
2nd Charging Period - January 2018



Customer complaints received by suppliers

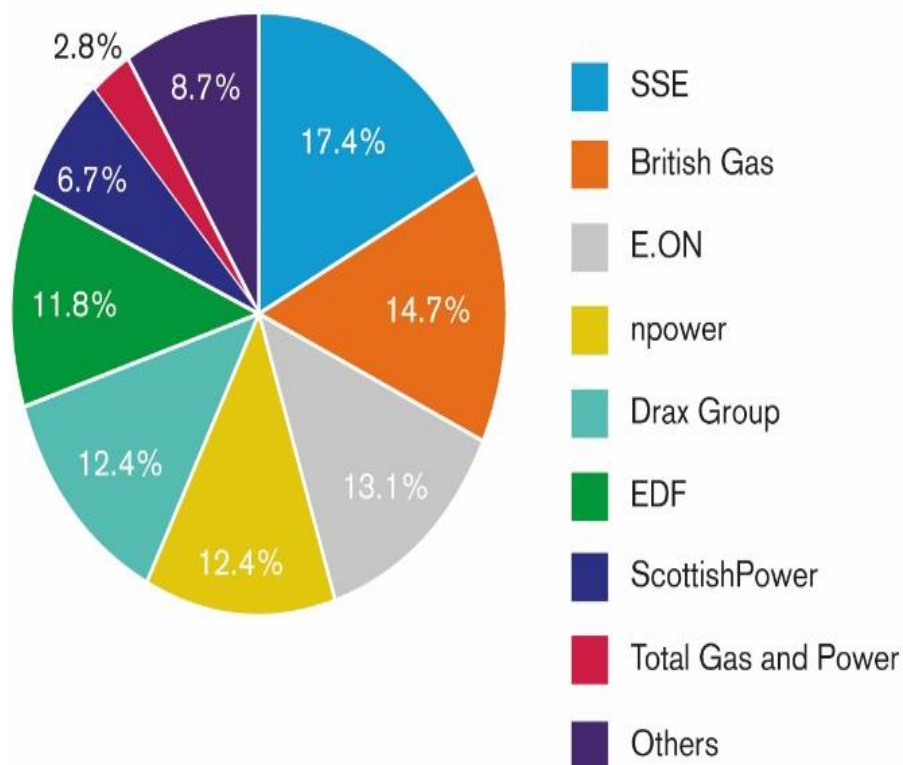


Profits of the six large suppliers as a percentage of sales

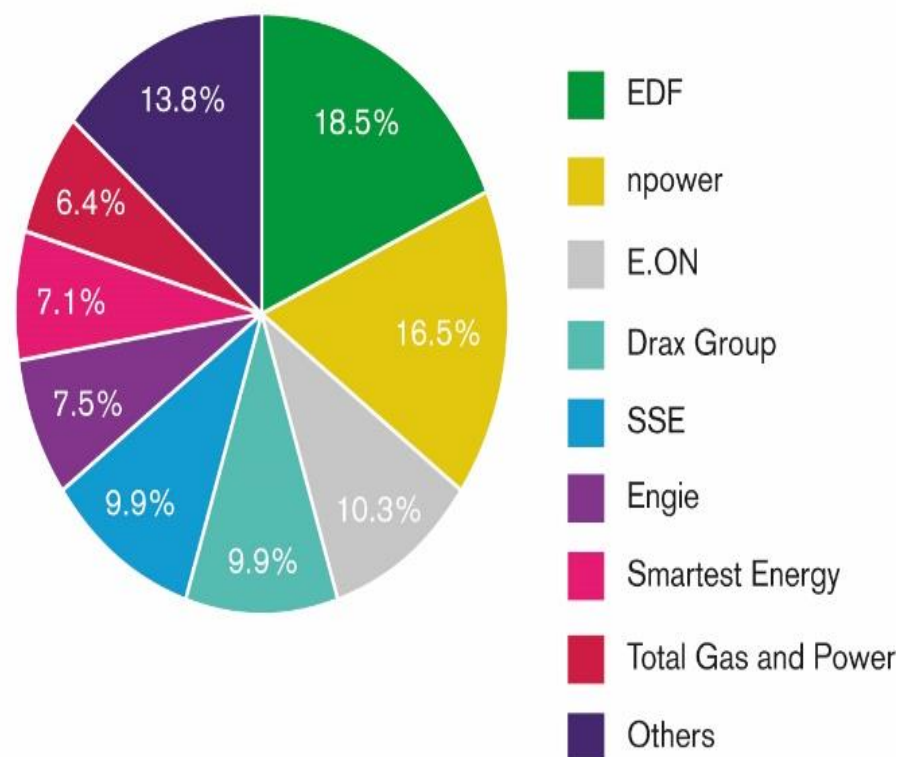


Non-domestic market shares for electricity in June 2018

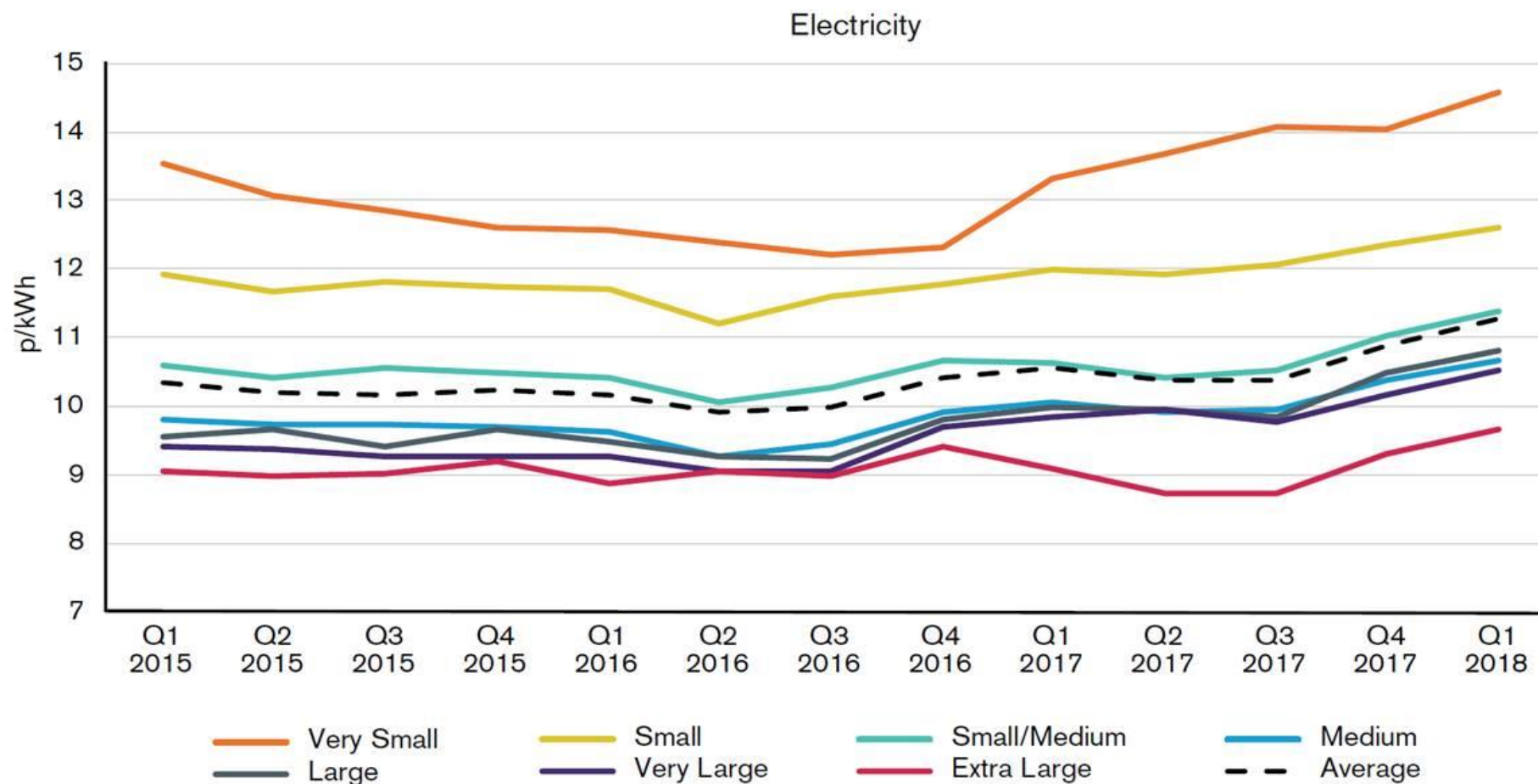
Small-scale electricity PC 3 & 4



Large-scale electricity PC 5 to 8 + HH



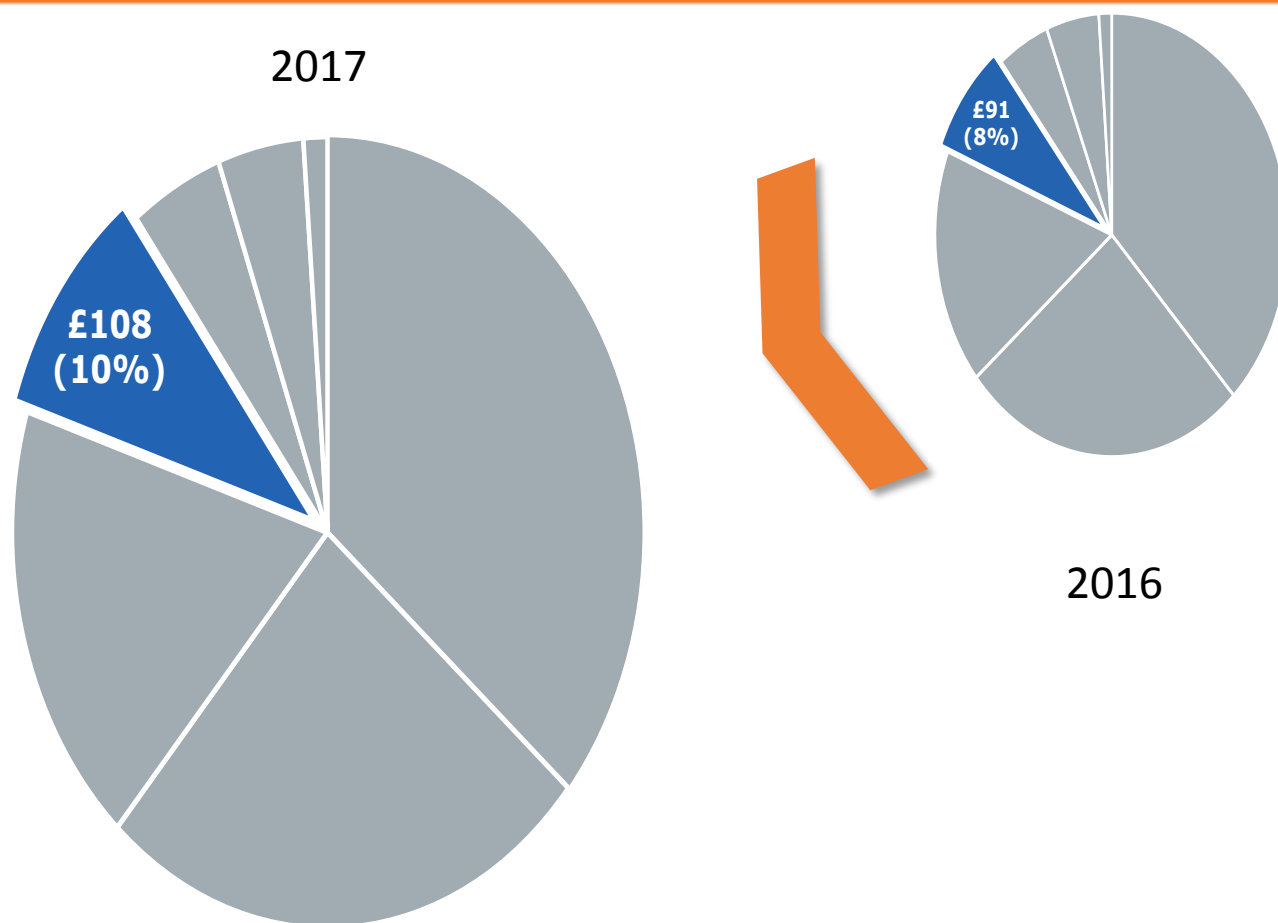
Average electricity non-domestic prices



State of the Market Report: Decarbonisation



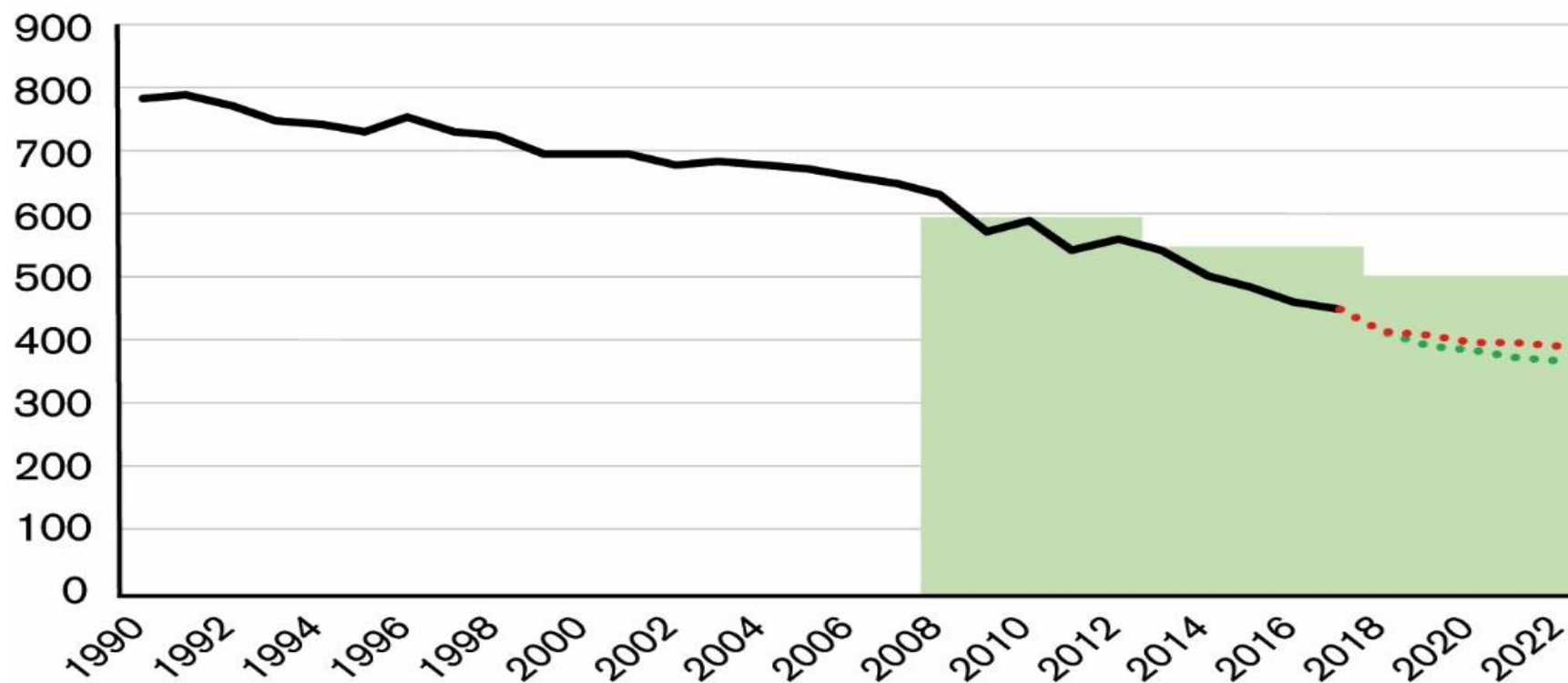
1. Wholesale markets
2. Retail markets
- 3. Decarbonisation**
4. Security of supply
5. Affordability and vulnerability



■ Environmental and social obligation costs

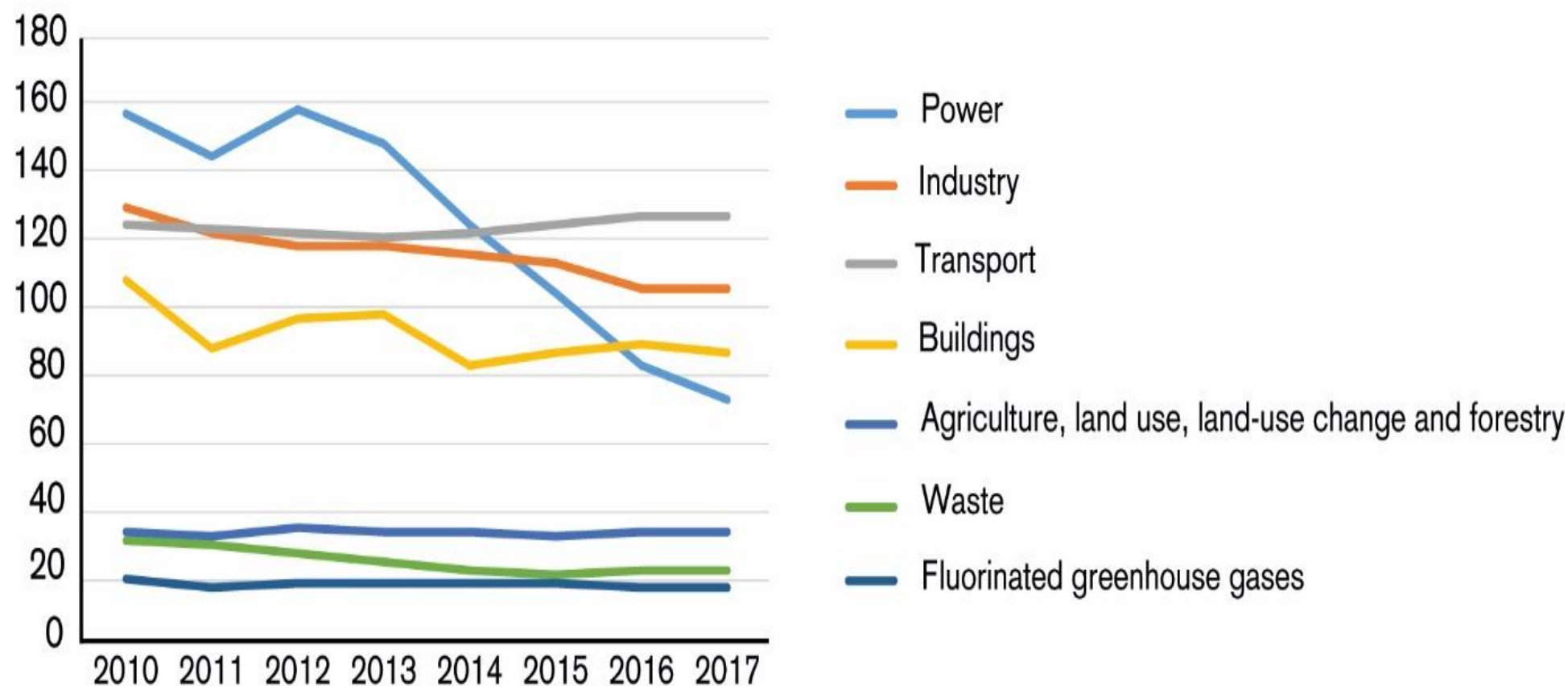
Total greenhouse gas emissions, UK

Million tonnes carbon dioxide equivalent



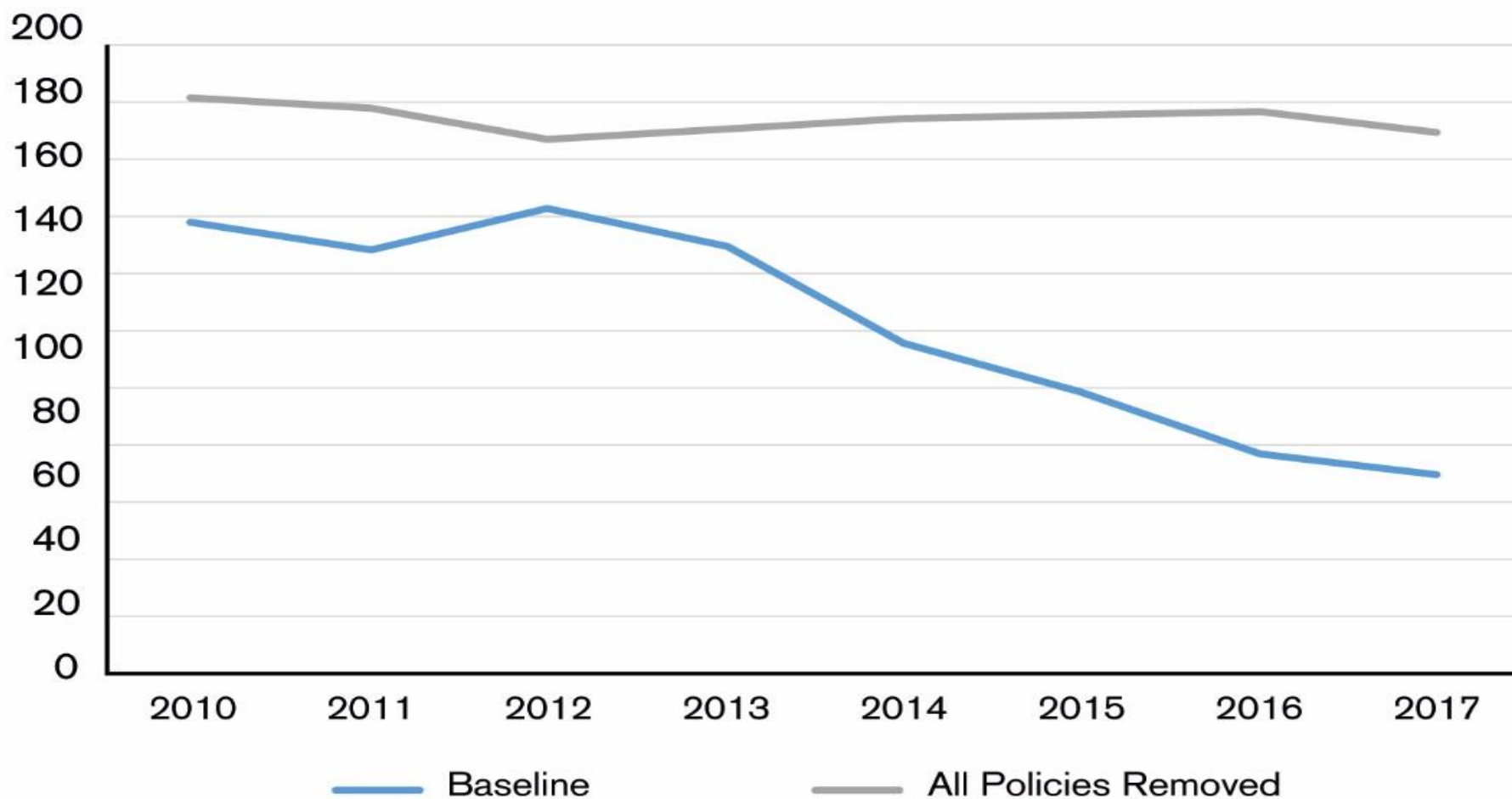
- Legislated carbon budgets
- Outturn greenhouse gas emissions
- Required path for reductions with least cost to consumers
- Expected path for emissions based on current policy

Million tonnes carbon dioxide equivalent



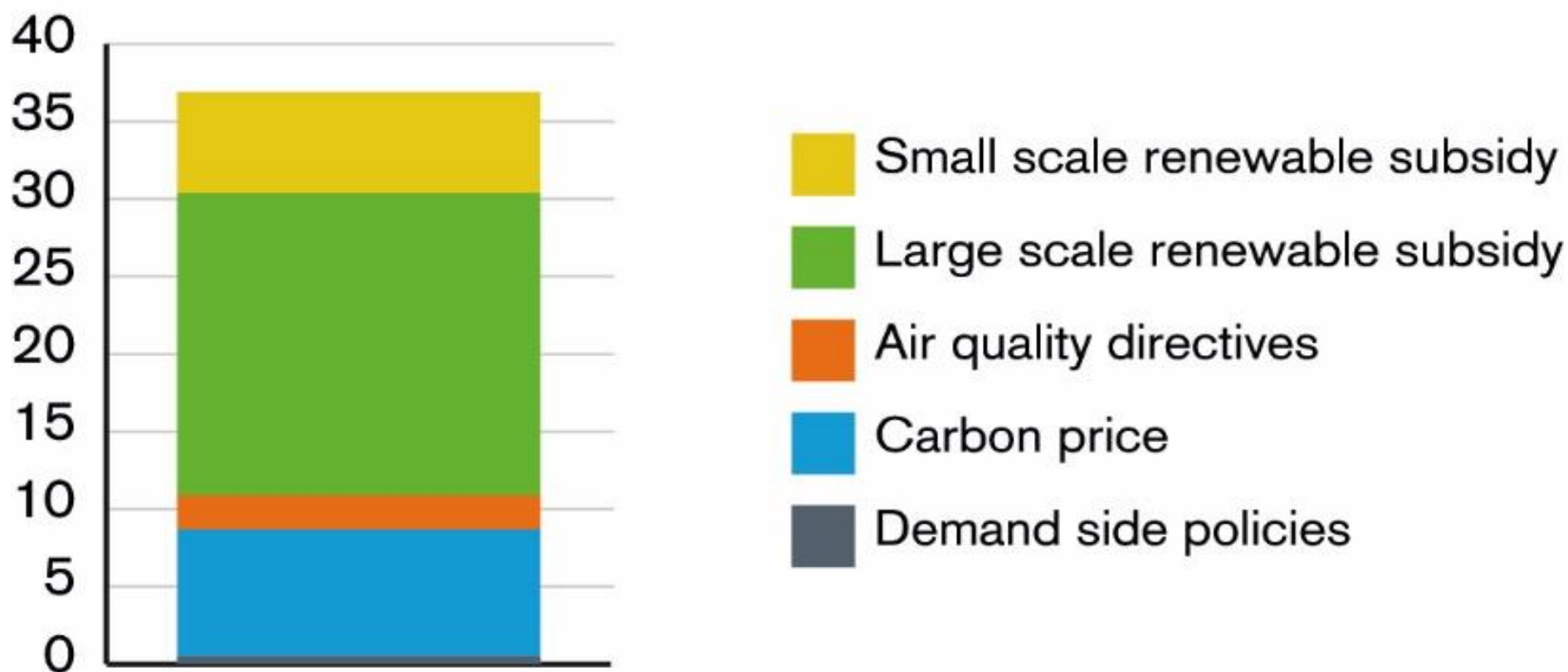
Simulated electricity sector baseline emissions compared with emissions in the absence of selected decarbonisation policies

Million tonnes carbon dioxide equivalent

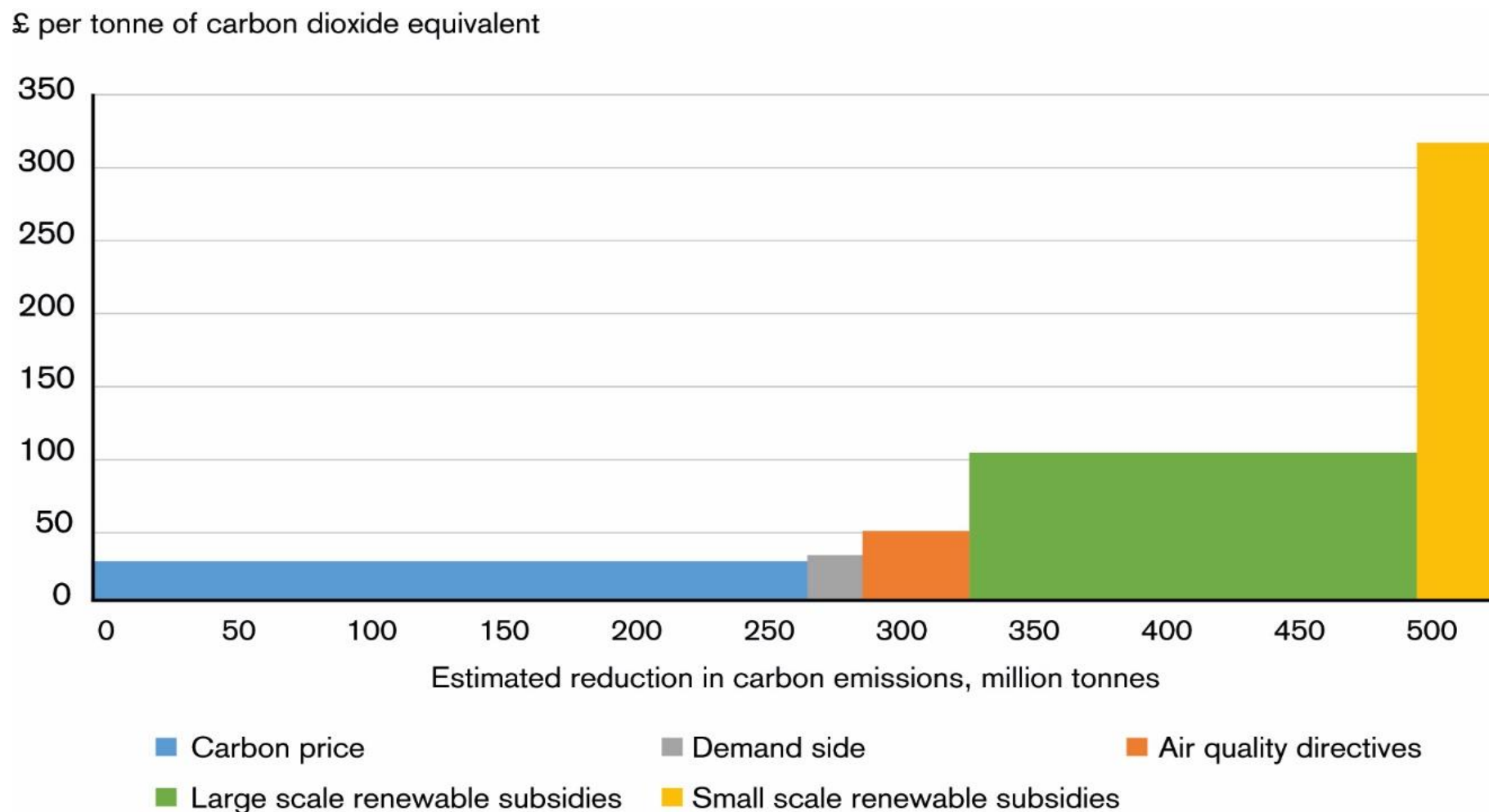


Estimated effect on typical annual electricity household bill of key decarbonisation policies, over 2010-2017

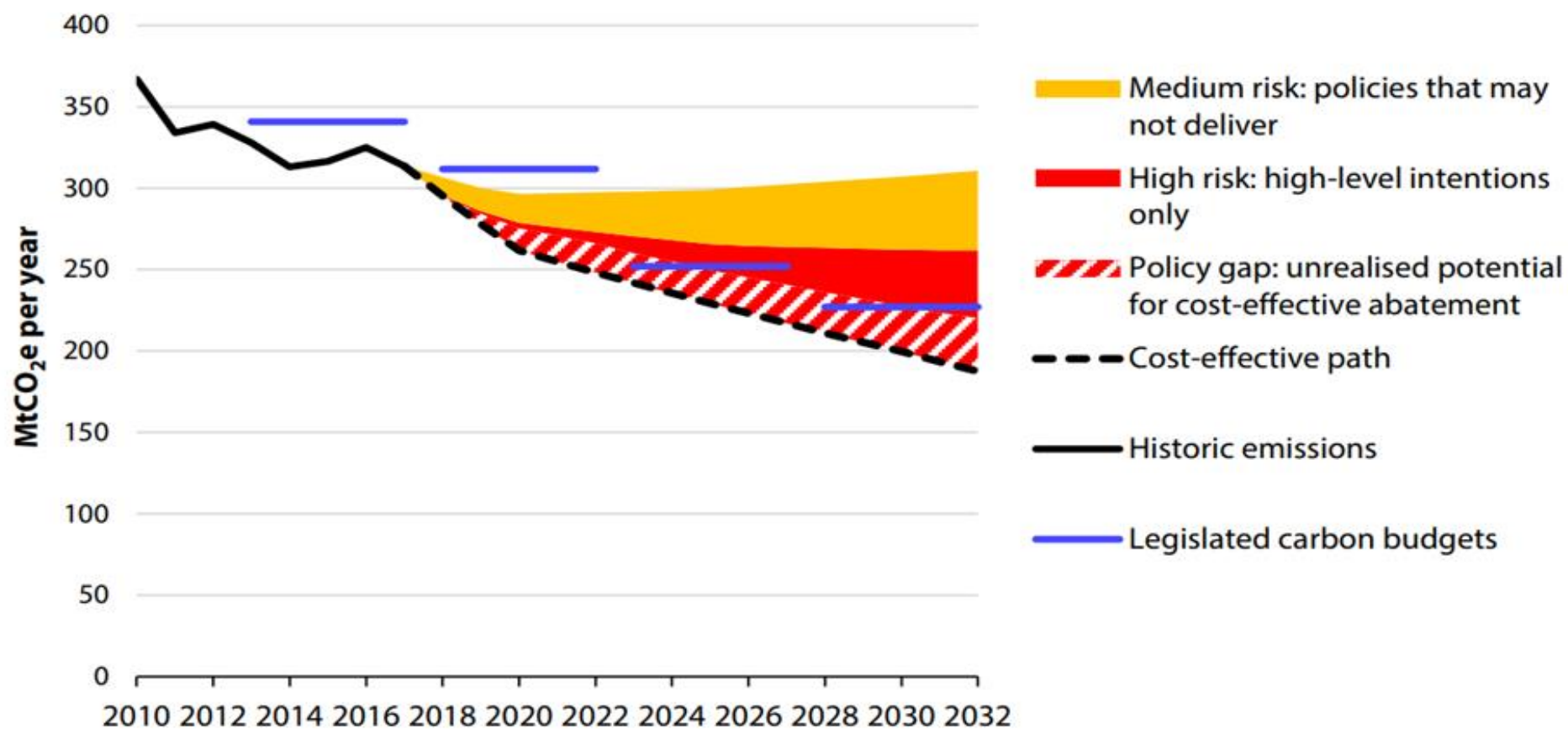
Impact on electricity bills (£)



Average net consumer cost (2016 prices) of policies per tonne of carbon dioxide saved, over 2010-2017



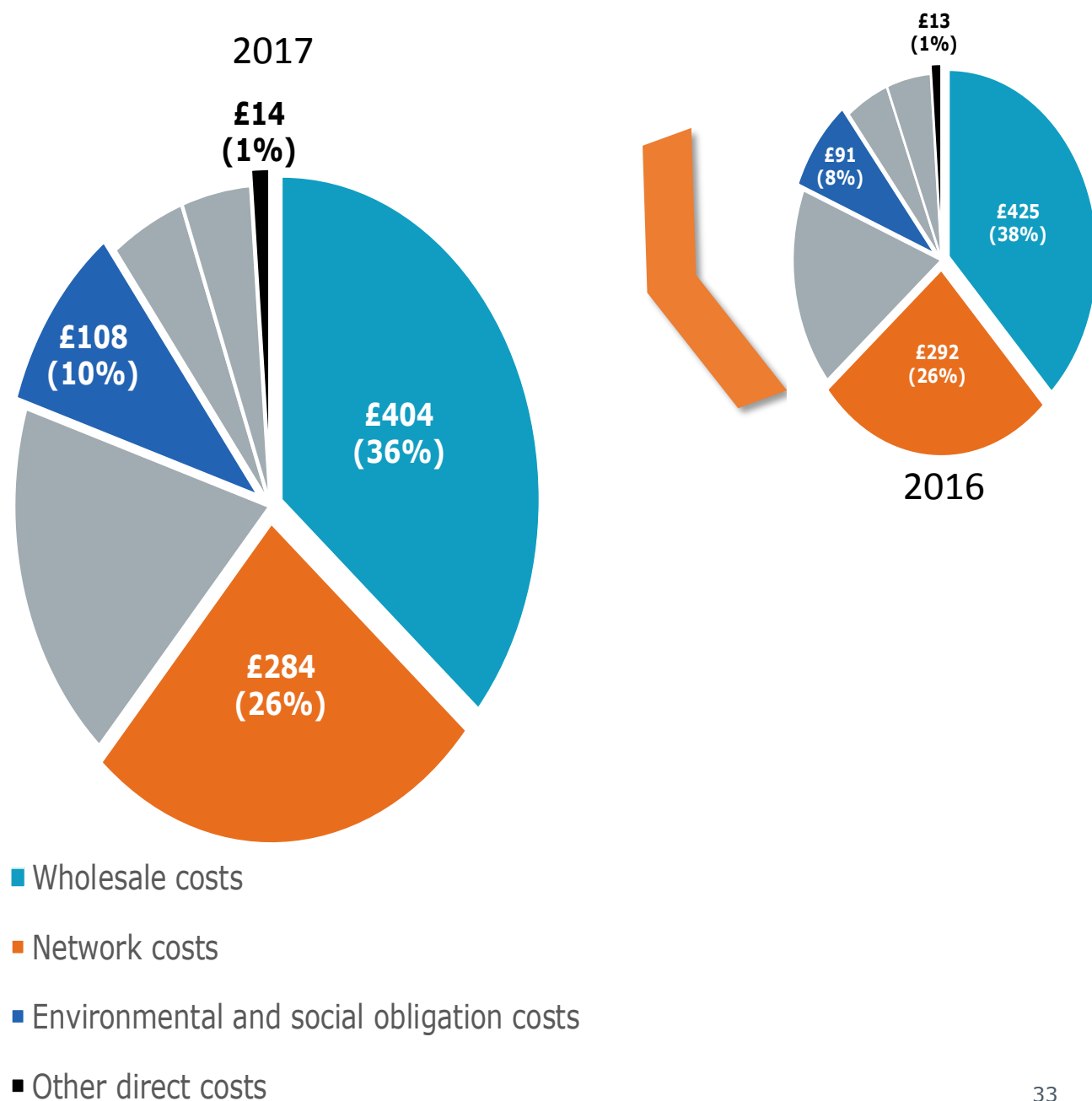
Delivery of policies to meet the fourth and fifth carbon budgets



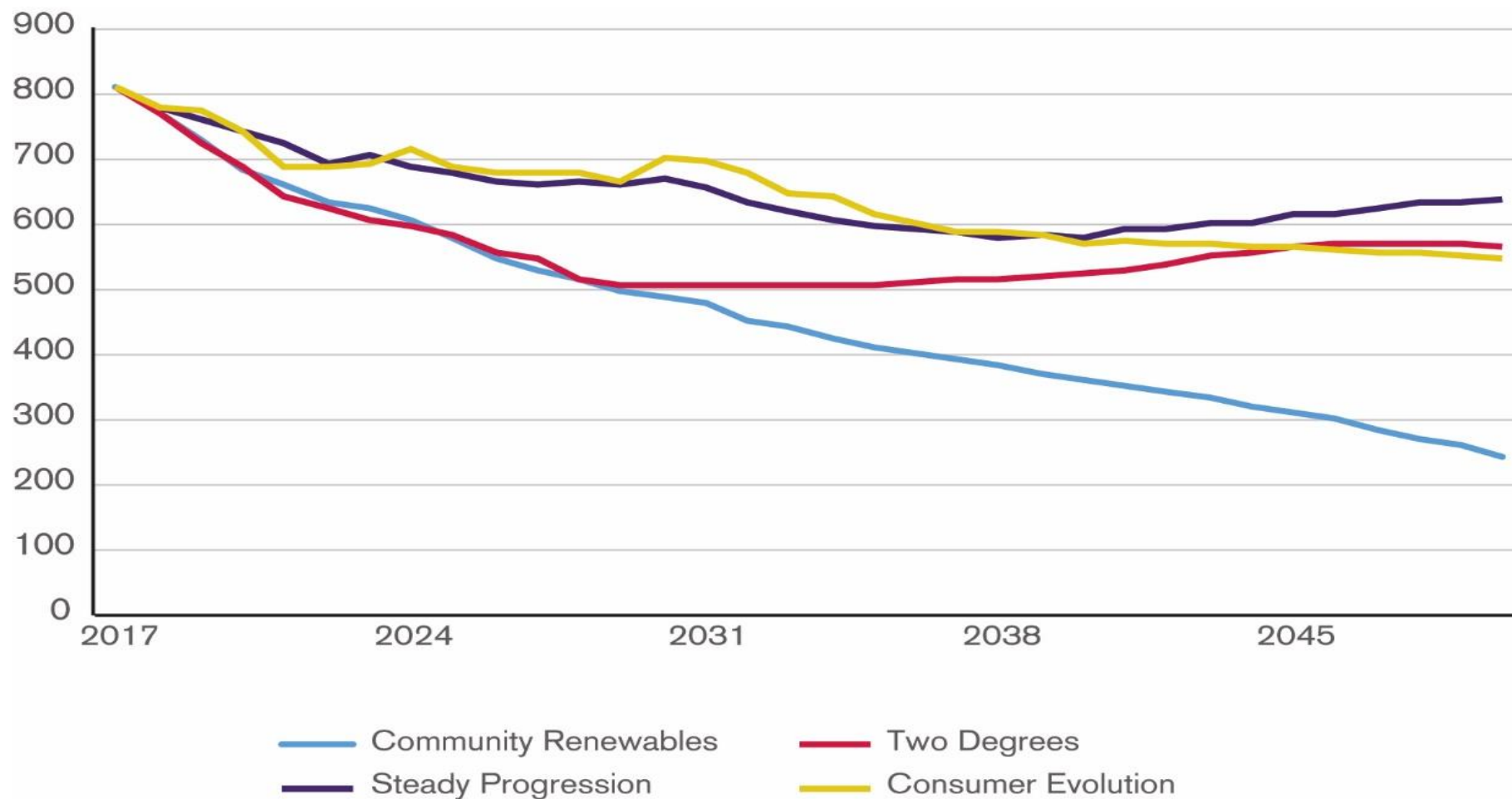
State of the Market Report: Security of Supply



1. Wholesale markets
2. Retail markets
3. Decarbonisation
- 4. Security of supply**
5. Affordability and vulnerability



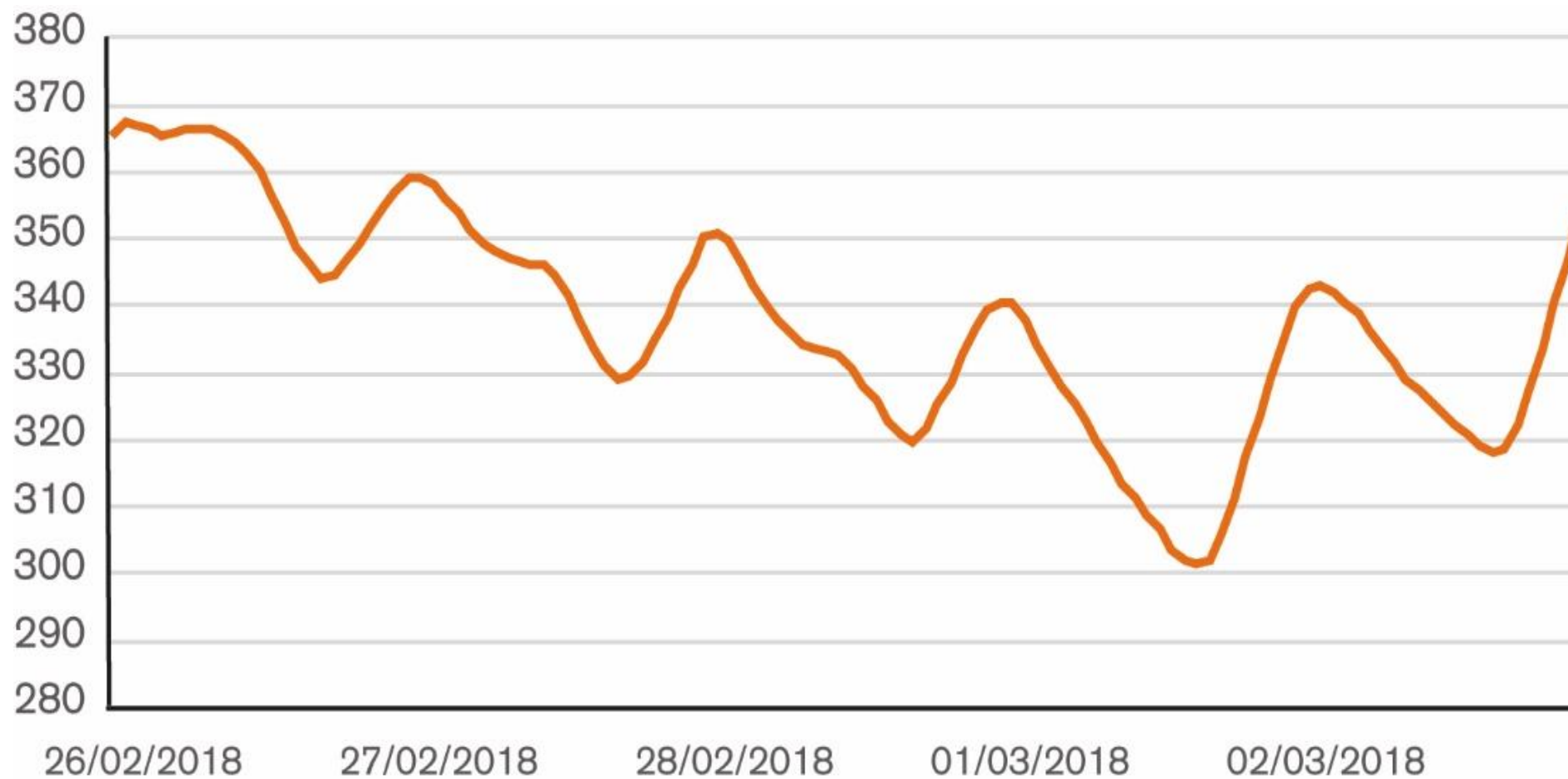
Annual gas demand forecast excluding exports (TWh)



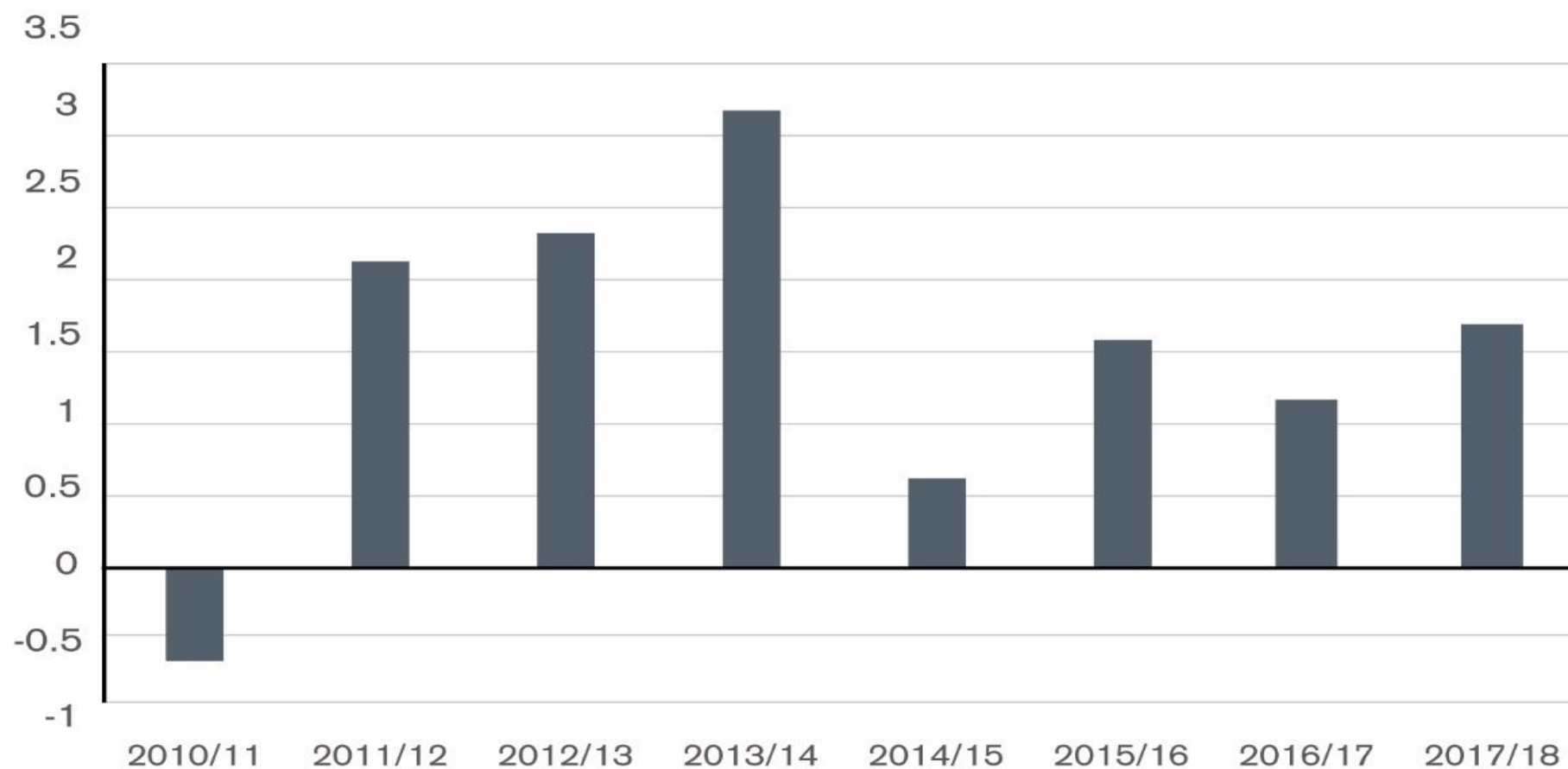
Gas Demand for the highest day (million cubic metres/day)



National Transmission System Linepack Aggregate, million standard cubic meters



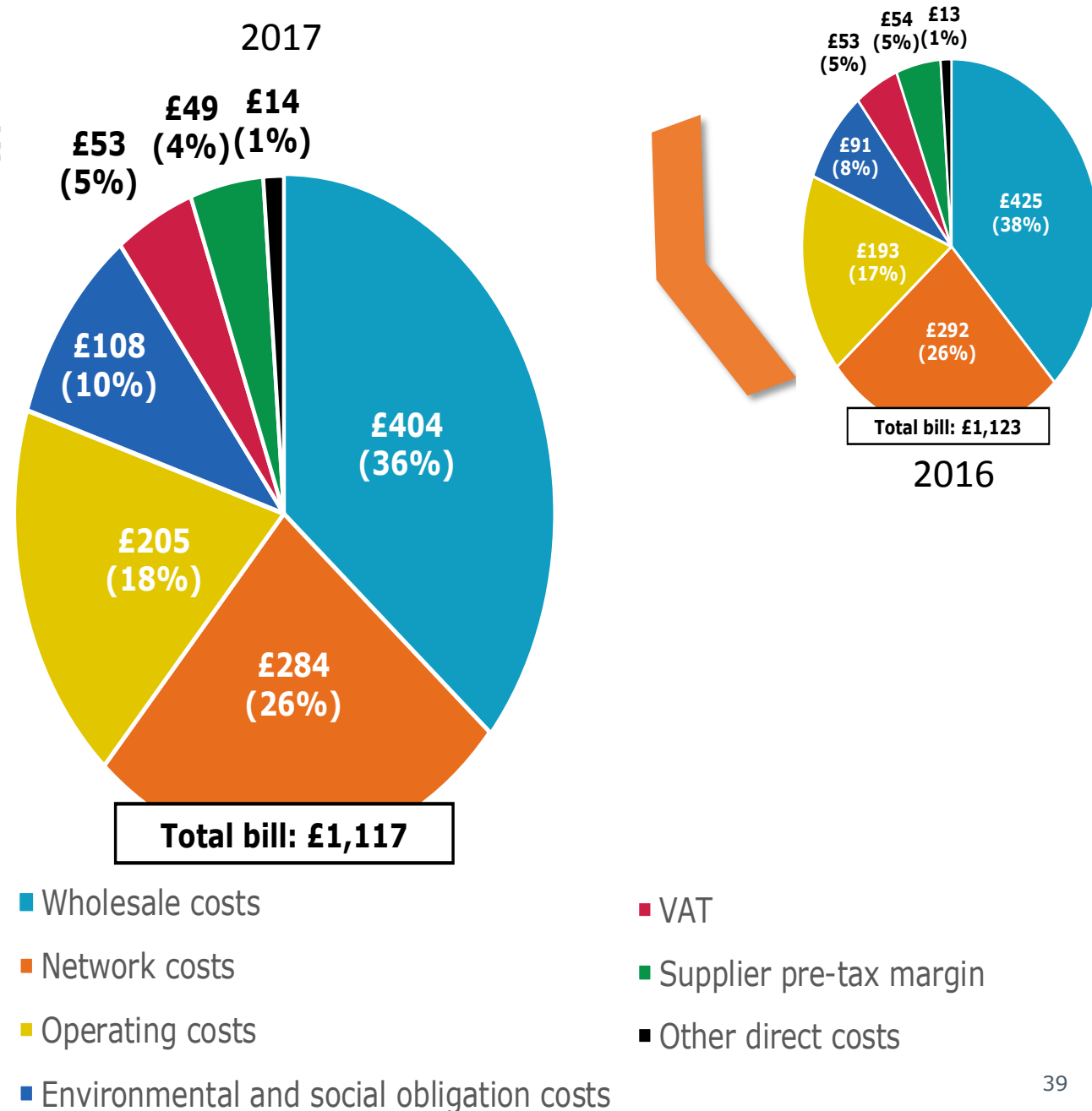
Difference between forecast and out-turn demand - One-year ahead normal weather -corrected peak transmission system (GW)



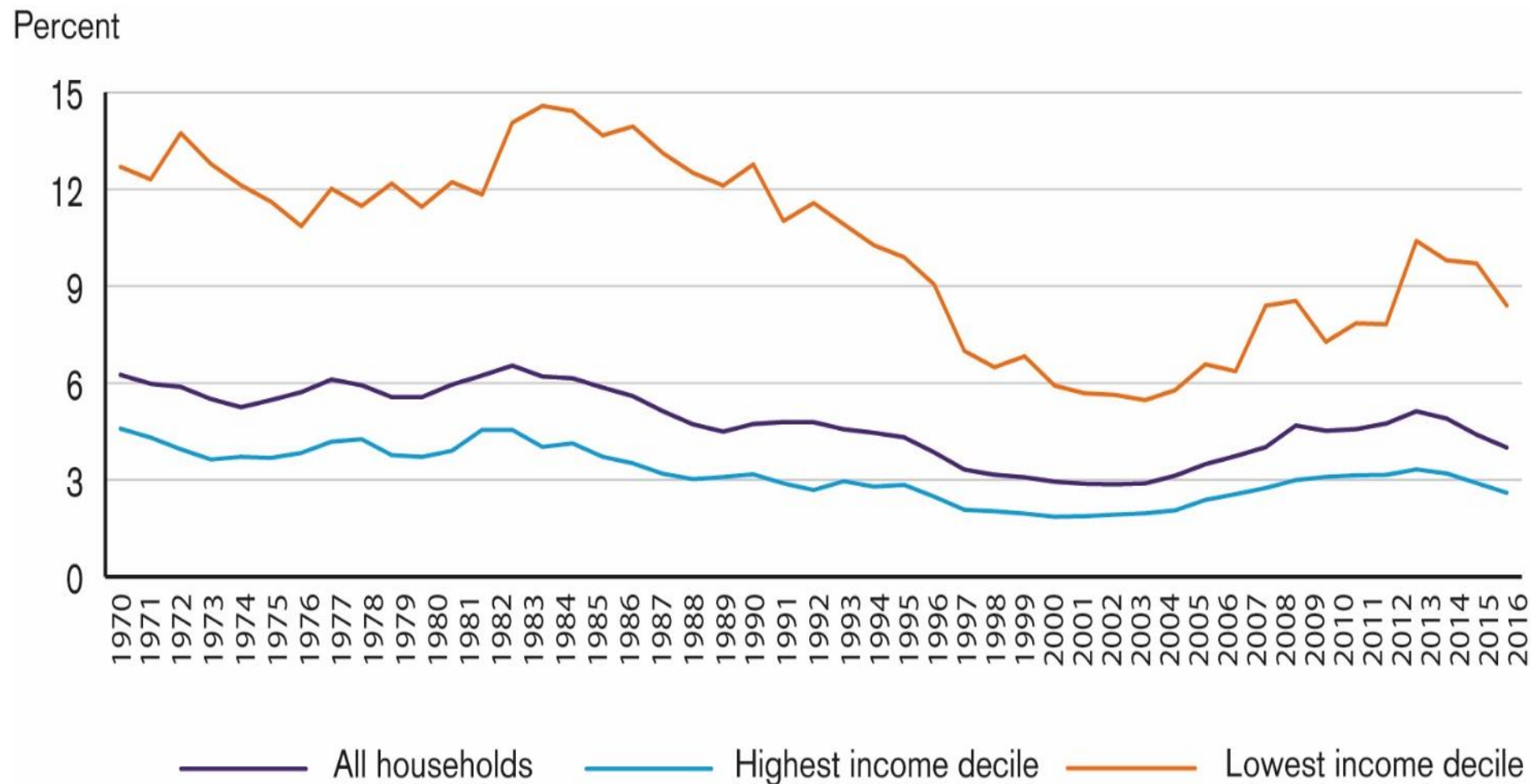
State of the Market Report: Affordability and Vulnerability



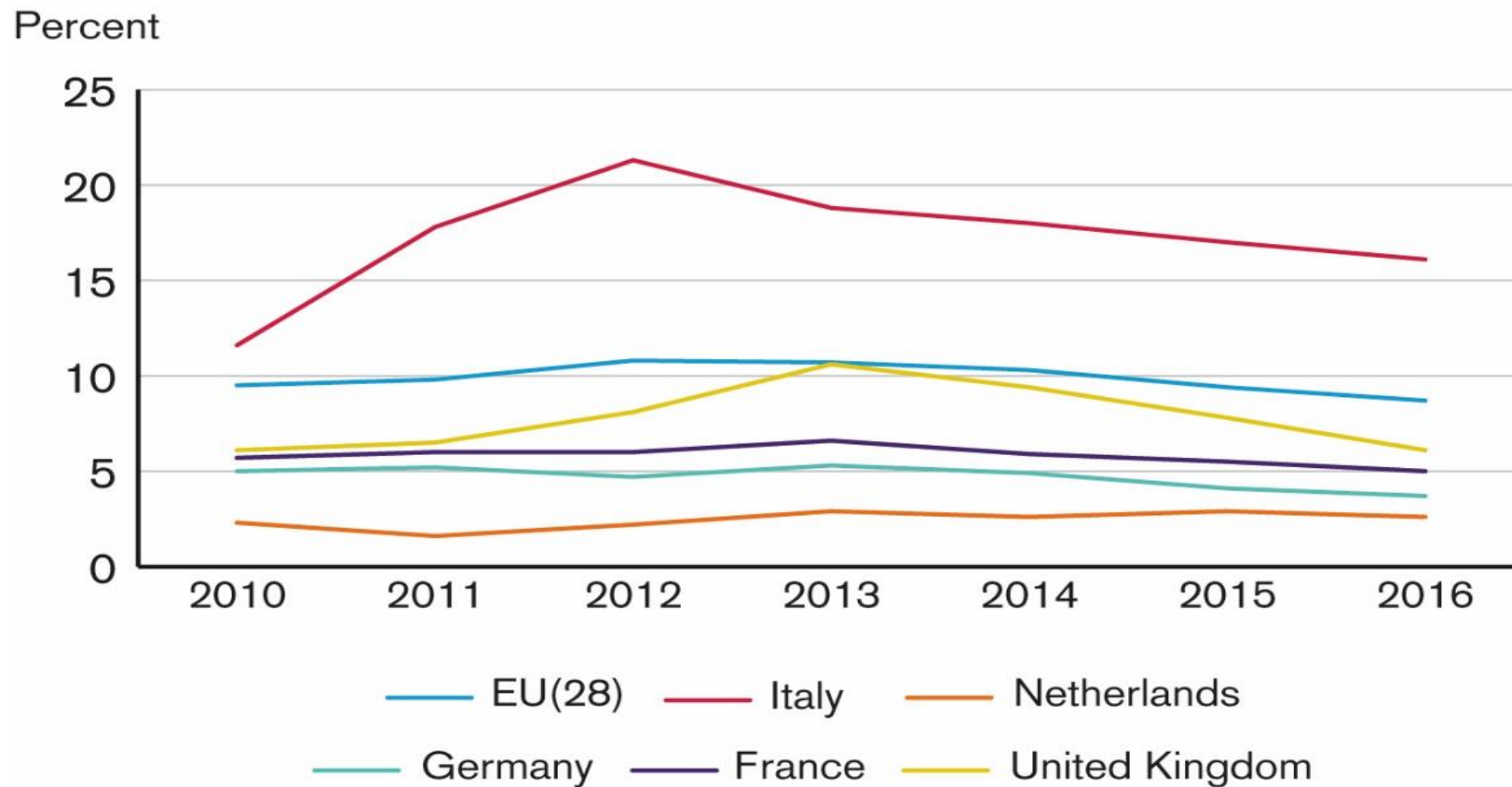
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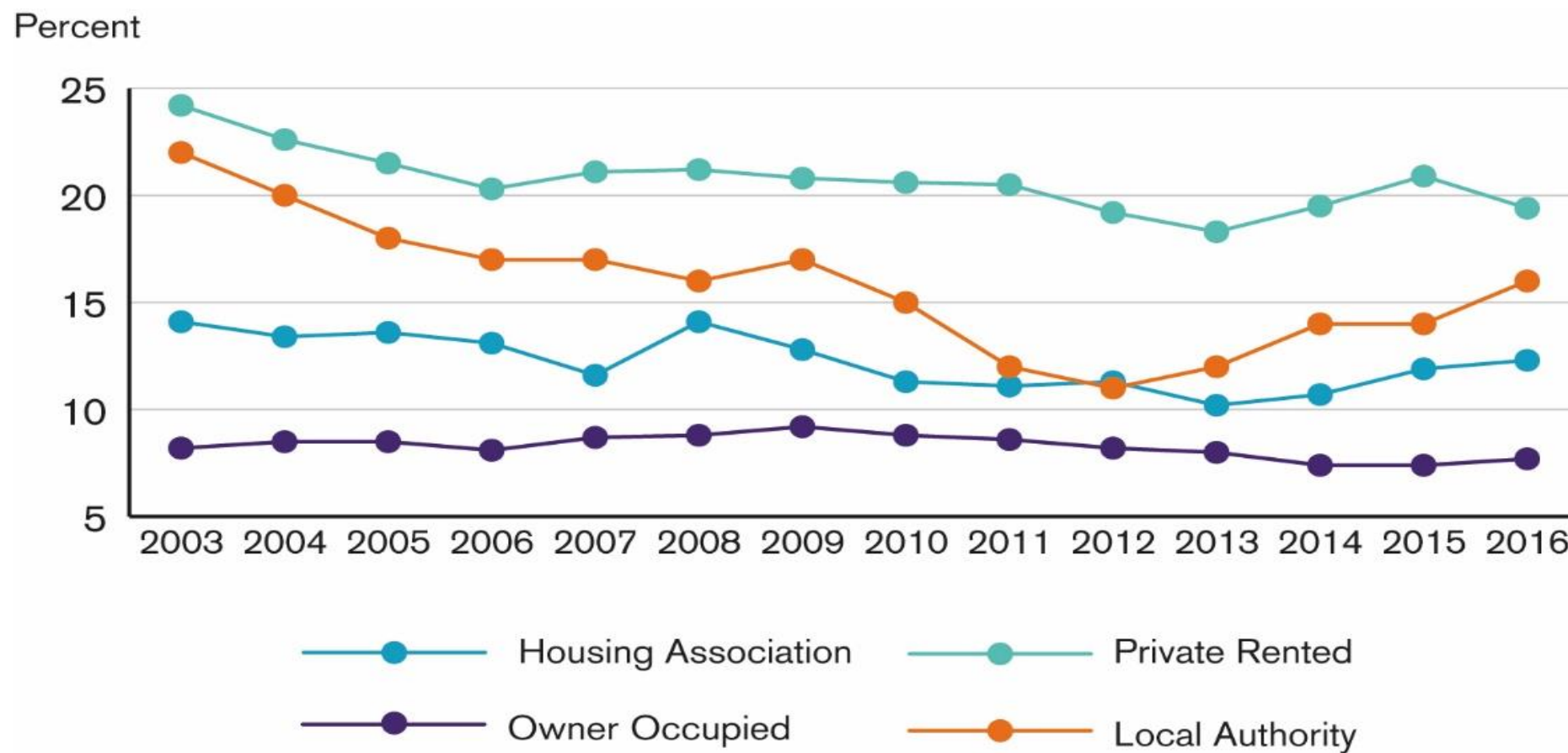
Energy costs as a proportion of total household expenditure



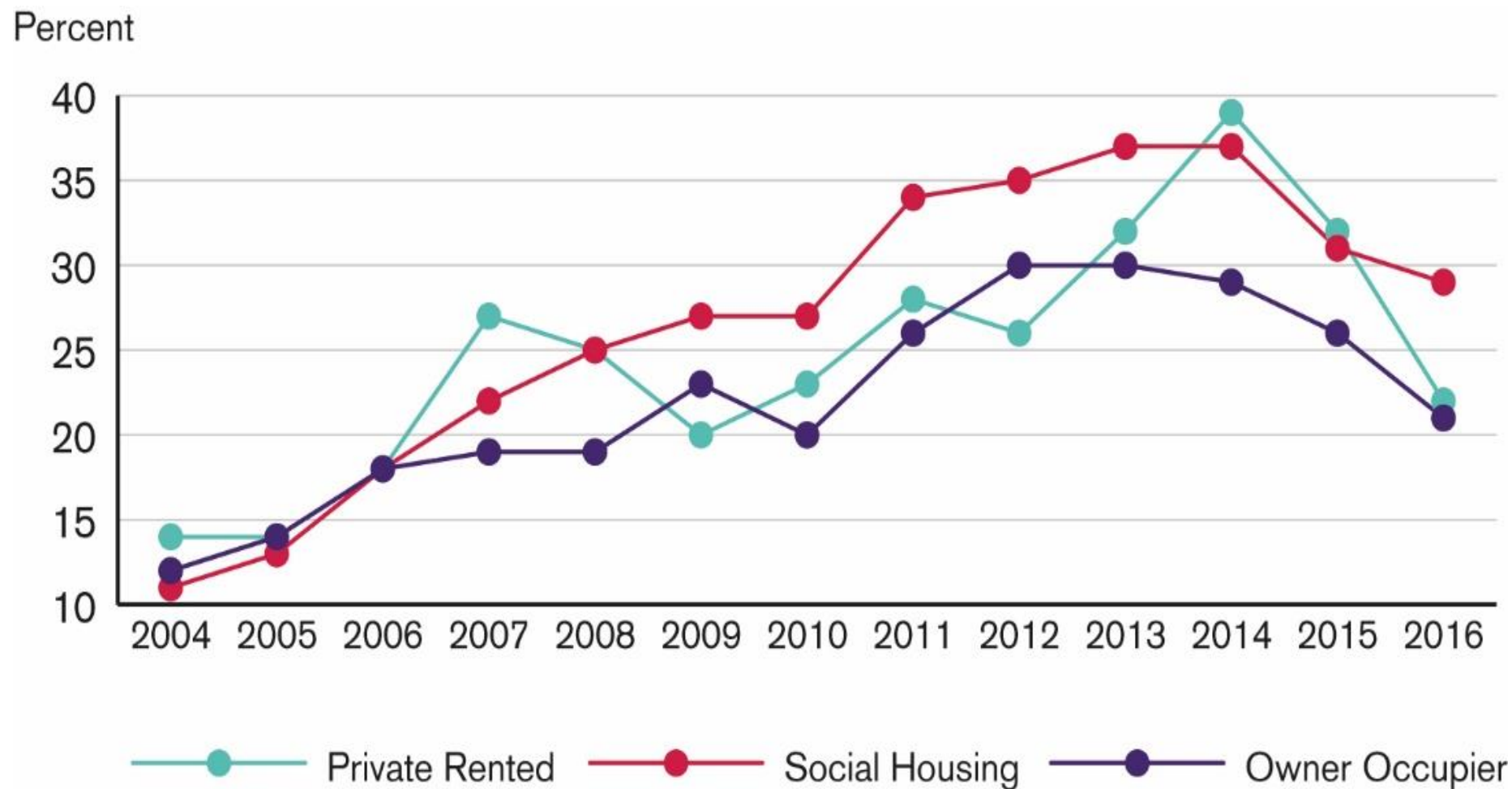
Population (%) reporting being unable to keep their home adequately warm



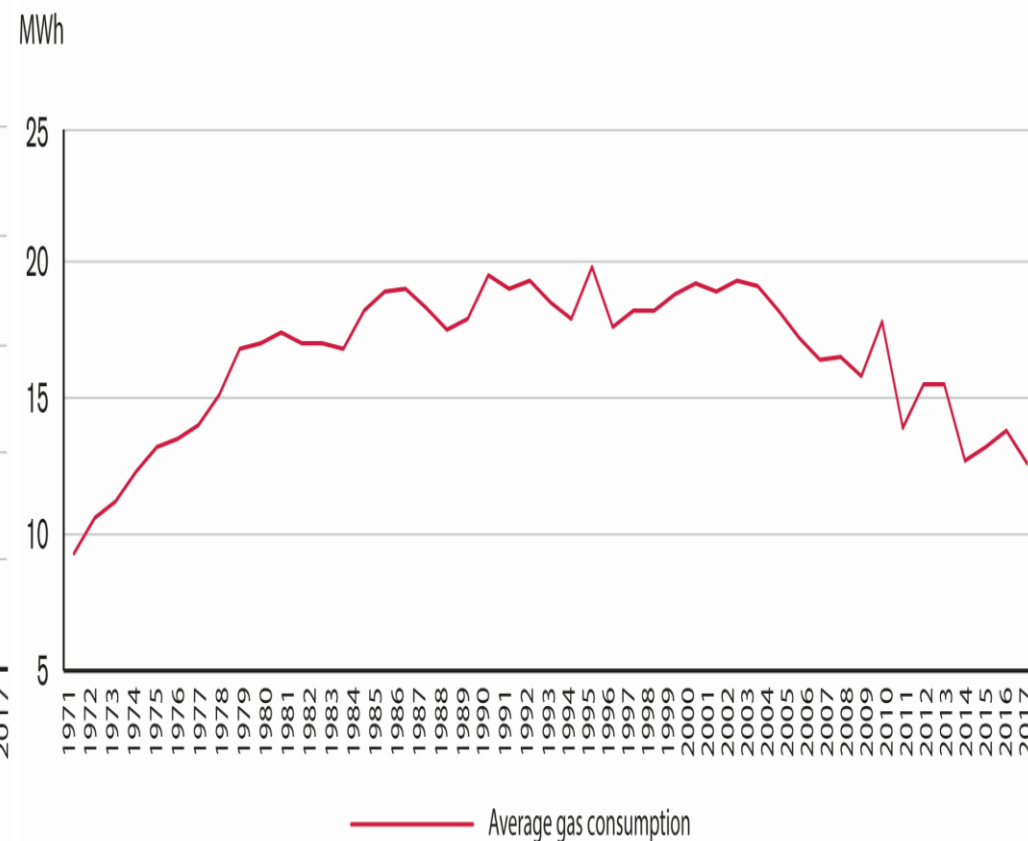
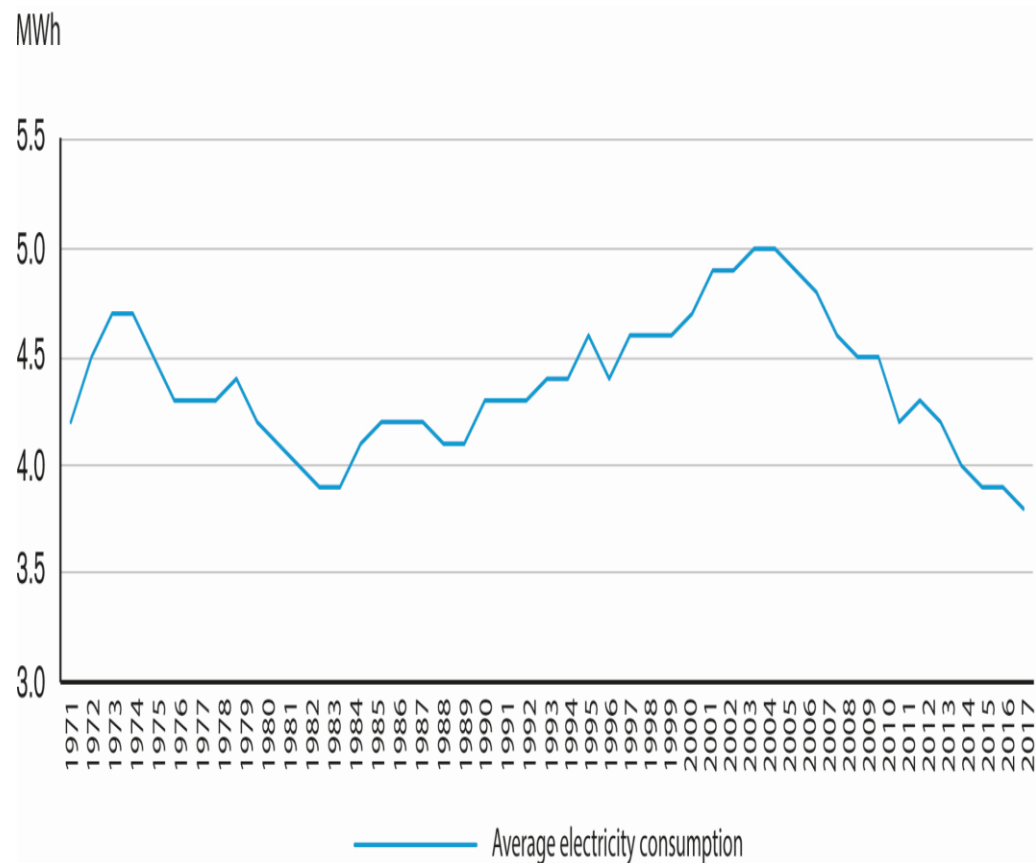
Rate of fuel poverty in England, by property tenure



Rate of fuel poverty in Scotland, by property tenure



Annual average household consumption



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Questions & Answers



Our core purpose is to ensure that all consumers can get good value and service from the energy market. In support of this we favour market solutions where practical, incentive regulation for monopolies and an approach that seeks to enable innovation and beneficial change whilst protecting consumers.

We will ensure that Ofgem will operate as an efficient organisation, driven by skilled and empowered staff, that will act quickly, predictably and effectively in the consumer interest, based on independent and transparent insight into consumers' experiences and the operation of energy systems and markets.

Public

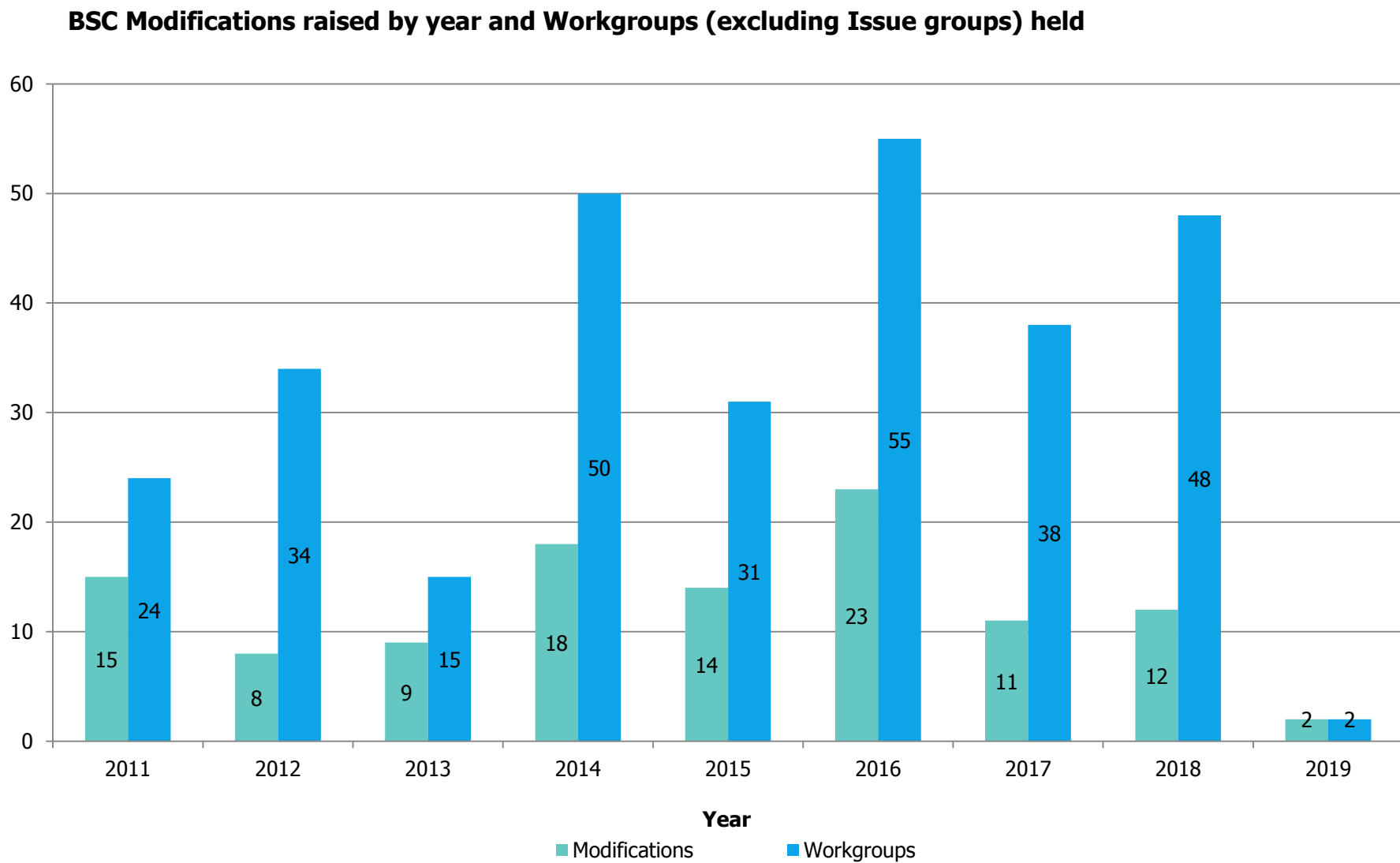
Change Report and Progress of Modification Proposals

287/03

14 February 2019
Elliott Harper

ELEXON

BSC Modifications raised by year and Workgroups held



BSC Modifications overview

Initial Written Assessment	P380
Assessment Procedure	P332, P363, P364, P366, P371, P372, P374, P375, P376, P379
Report Phase	P370
Urgent	
With Authority	P361, P373, P377, P378
Authority Determined	-
Self-Gov. Determined	-
Fast Track Determined	-
Withdrawn	-
Open Issues	Issue 69, Issue 72, Issue 73, Issue 74, Issue 75, Issue 76

BSC Modifications approved timelines

	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19
P332												AR
P363						AR	DMR					
P364						AR	DMR					
P366								AR	DMR			
P370			AR		DMR							
P371						AR	DMR					
P372							AR	DMR				
P374		IWA						AR	DMR			
P375			IWA							AR	DMR	
P376			IWA								AR	DMR
P377			IWA	DMR								
P378			IWA	DMR								
P379				IWA								AR

Modification Update: P297

'Receipt and Publication of New and Revised Dynamic Data Items'

- P373 'Reversal of P297' interdependent with P297
- Ofgem approved P297 Implementation Date extension request on 7 January 2019 to 28 February 2019 (Feb 19 BSC Release)
- ESO published cost-benefit analysis on 9 January 2019
- ESO wish to engage and seek feedback on proposed way forward

GC0068 and P297 BSC Panel Update

GC0068 introduces changes in the Dynamic Data sets being received

P297 relates to the use of those revised Dynamic Data items introduced under GC0068

1. Profiled Balancing Mechanism Unit (BMU) Stable Import and Stable Export Limits (SEL and SIL). Under the changes proposed SEL and SIL would be time-varying MW profiles rather than being submitted as single static MW values.

2. Run-Up Rates (Import and Export) and Run-Down Rates (Import and Export). The changes proposed would allow for a greater number of BMU ramp rates and a change in data resolution to 0.02MW per min

3. Last Time to Cancel Synchronisation (LTCS). This currently exists within the Grid Code but is not passed to Elexon as part of the Dynamic Data set for publication on BMRS.

In January we delivered a Cost Benefit Analysis paper to Ofgem and wider stakeholders detailing our view of the changes and potential next steps.

ESO Next Steps

In the CBA document we indicated that we would take forward a modification to implement SEL/SIL

In March 2019 we intend to begin to raise changes to take forward the elements of GC0068 and P297 that relate to dynamic SEL/SIL.

This will require considering how best to change the GC0068 requirements in the Grid Code and then raise consequential changes to the BSC.

We have also received further feedback that due to the potential benefits highlighted by respondents to our call for evidence that we should further consider the other elements of GC0068 and P297.

We want to work with interested parties across the market to quantify the benefits of making these changes and consider a BSC issues group to be an appropriate way of doing this. If there are benefits identified we would take forward proposals to implement these.

Our ask today:

- 1. How should we best take forward the changes associated with P297?**
- 2. Is a BSC issues group sufficient to also consider the necessary Grid Code requirements of Run-up/Run down rates and LTCS or should we take another approach?**
- 3. Any other feedback on our intended course of action?**

Modification Update: P371

'Inclusion of non-BM Fast Reserve actions into the Imbalance Price calculation'

- First Workgroup meeting held 24 October 2018
- 14 actions, including detailed analysis were identified for ELEXON and National Grid to jointly complete
- Depth and breadth of analysis was substantial and not anticipated
- Analysis being reviewed
- Planning for Workgroup meeting at end of February 2019
- Consequently, we invite the Panel to approve a four-month extension to the P371 Assessment Procedure, returning with the Assessment Report to the July 2019 Panel meeting

Modification Update: P363/364

'Simplifying the registration of new configurations of BM Units / Clarifying requirements for registering and maintaining BM Units'

- Assessment Procedure Consultation issued 8 February 2019
- Final Workgroup meeting planned between 6-8 March
- Assessment Report due at Panel on 14 March 2019
- Subject to Workgroup availability and consultation responses, P363/4 Assessment Report will be a late paper
- High chance Assessment Report will be reported at April 2019 Panel meeting
- Likely P363 will be withdrawn or amalgamated with P364
- Consequently, we invite the Panel to approve a one-month extension to the P363/4 Assessment Procedure, returning with the Assessment Report to the April 2019 Panel meeting

Brexit preparations

- Further to last month's more detailed update, we are continuing to seek clarity from BEIS / Ofgem on Brexit arrangements
- Assume no immediate need for Modifications under a 'deal' scenario
- Key questions for 'no deal':
 - Will Ofgem approve BMRS as a reporting service?
 - How should TERRE be treated?

Upcoming European Modifications

- Modification: The publication of European Electricity Balancing Guideline (EB GL) balancing data by BMRS
 - IWA expected at the March 2019 BSC Panel meeting
- Modification: Align the P344 and P354 solutions
 - Mod still needed under no-deal Brexit
 - Currently under development internally at ELEXON
- Modification: Imbalance Harmonisation
 - May or may not be required under no-deal Brexit
 - Target raising in Q3 2019
- Modification: Manually Activated Reserves Initiative (MARI)
 - Not required under no-deal Brexit
 - Target raising in Q2 2019

Article 18 Update: Balancing Terms and Conditions

- Ofgem published their request for amendment to the TSO's EBGL proposals on 4 February 2019
- The letter's main focus is on changing the mapping to the GB Codes, including the BSC
- Insufficient details were provided concerning the Article 18 change process or derogations and therefore it does not inform the solution for P374
 - *'It must be ensured that any future amendment of the balancing T&C will be compliant with the process set in the EBGL'*
 - Given the various legal interpretations previously identified the answer to the question of compliance is left open
- First P374 Workgroup is scheduled to take place on 20 February 2019

Recommendations

We invite the Panel to:

- a) **APPROVE** a four-month extension to the P371 Assessment Procedure;
- b) **APPROVE** a one-month extension to the P363/4 Assessment Procedure; and
- c) **NOTE** the contents of the February Change Report.

Public

P380 'Revision to the Replacement Reserve Bid Data submission deadline requirements'

287/04

14 February 2019

Jon Wisdom, Grahame Neale and
Adam Musgrave

What is the defect?

- The Replacement Reserve Implementation Framework (RRIF) was created as part of project TERRE.
- BSC proposal P344 was developed and subsequently approved in August 2018 based on a draft RRIF. As part of the P344 solution, the Electricity System Operator is required to submit 'Replacement Reserve Bid Data' to the Balancing Mechanism Reporting Agent **15 minutes after Gate Closure**.
- Subsequently the RRIF was amended and approved by Ofgem in December 2018. The final RRIF stated that Replacement Reserve Bid Data was to be submitted **40 minutes before the Replacement Reserve Auction Period Start**.
- The amount of time between Gate Closure and Replacement Reserve Auction Start Period will change 12 months from implementation of the Replacement Reserve Platform as listed in the RRIF.
- The BSC therefore needs to be amended to revise the legal text to reflect the final RRIF.

Why is the defect an issue?

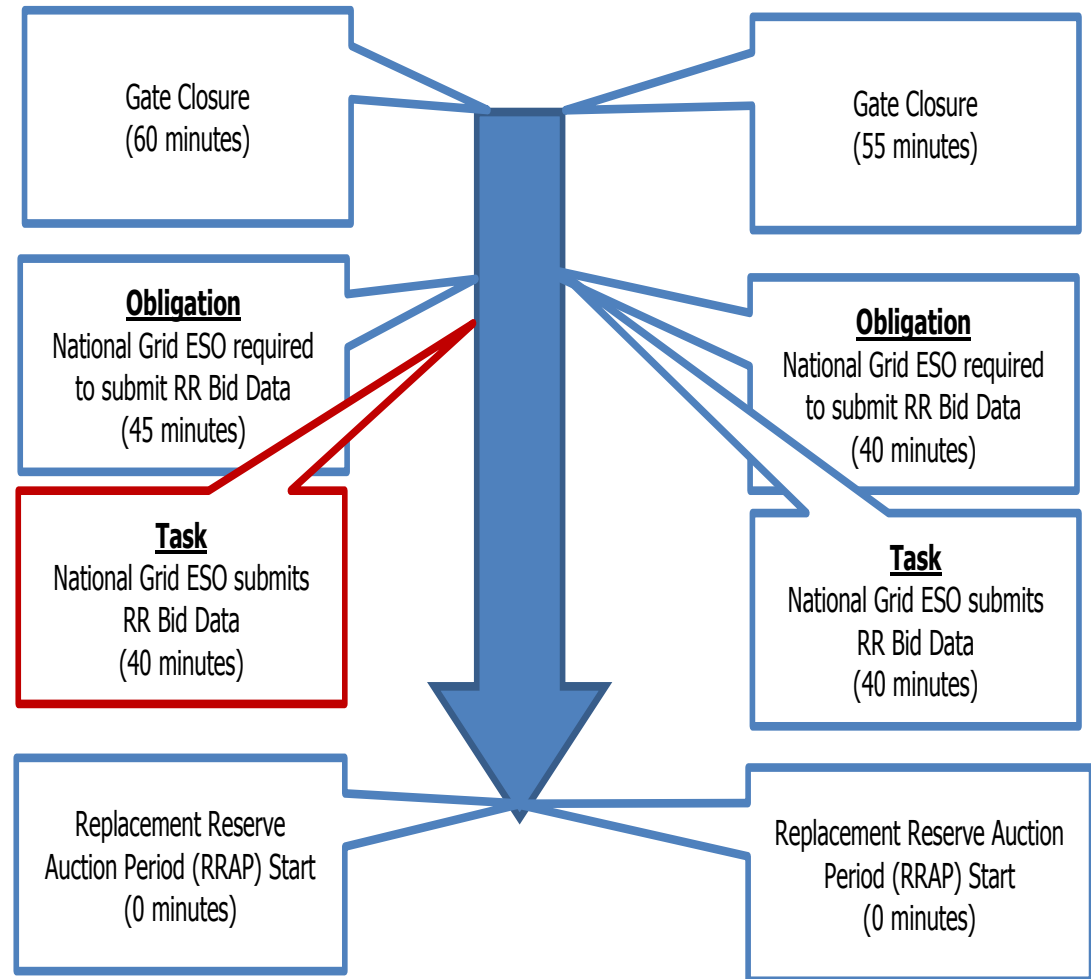
The RRIF states that Gate Closure will be **55 minutes** before the Replacement Reserve Auction Start (**60 minutes** for the first 12 months).

The Electricity System Operator intends to send Replacement Reserve Bid Data **40 minutes before the Replacement Reserve Auction Start** in line with the final RRIF.

This would not be compliant with the BSC **during the first 12 months** of the Replacement Reserve Platform which states in Section Q 6.1.11A that the Replacement Reserve Bid Data **should be sent 15 minutes after Gate Closure**.

First 12 months of RR-Platform

Following first 12 months of RR-Platform



Proposed solution & next steps

Replace the wording in BSC Section Q, Paragraph 6.1.11A so that it aligns with the RRIF;

“Not later than ~~15 minutes following Gate Closure~~ for 40 minutes before the start of each Replacement Reserve Auction Period, the Transmission Company shall send to the BMRA the Replacement Reserve Bid Data for each BM Unit for which it has received or determined such data.”

This has the benefits of;

1. Keeping the Electricity System Operator compliant with both RRIF and BSC,
2. Making the RRIF and BSC consistent with each other,
3. Avoiding the need for additional system changes to the P344 solution.

This Modification must be implemented before TERRE go-live around December 2019 to avoid non-compliance with the BSC.

Proposed to go straight to report phase with implementation as part of June 2019 BSC release as;

- No impact on any industry parties except Elexon and the Electricity System Operator
- No impact on current Elexon systems and provides clarity for developing the P344 system solution.

Costs and Applicable BSC Objectives

Applicable BSC Objective (a)

- The Transmission Company has a license obligation to remain compliant with GB and European industry codes, including the BSC and RRIF.
- Failure to implement this Modification would result in the Transmission Company being non-compliant with these industry codes.

Applicable BSC Objective (b)

- If this Modification were not be approved, it would result in the non-compliance listed under Applicable BSC Objective (a) (and the associated costs of such enforcement action) or additional time and cost to revise the IT solution to ensure that it is compliant with the current BSC wording, potentially delaying implementation of the P344 solution.

Applicable BSC Objective (d)

- This Modification would ensure the BSC aligns to the RRIF, thus creating clarity for National Grid ESO.

Applicable BSC Objective (e)

- This Modification would have the same benefit as outlined for Applicable BSC Objective (a).

Costs

- £240 (One ELEXON Working Day of effort)

Proposed Progression

- As this Modification's proposed solution is straight forward and self-evident, we recommend that this Modification goes straight to the Report Phase in accordance with BSC Section F 2.2.4.

Self-Governance

- This Modification should be progressed as a Self-Governance Modification as it will not have a material effect on the Self-Governance criteria

Implementation Date

- Recommended Implementation Date: 27 June 2019 as part of the June 2019 BSC Release.

Progression Plan

- Report Phase Consultation (10 Working Days) – **18 February – 1 March 2019**
- Present Draft Modification Report to Panel – **14 March 2019**
- Final Modification Report published – **18 March 2019**
- Self-Governance Appeal Window (15 Working Days) – **14 March – 3 April 2019**

P380: Recommendations (1 of 2)

We invite the Panel to

- a) **AGREE** that P380 progresses directly to the Report Phase;
- b) **AGREE** that P380:
 - **DOES** better facilitate Applicable BSC Objective (a);
 - **DOES** better facilitate Applicable BSC Objective (b);
 - **DOES** better facilitate Applicable BSC Objective (d); and
 - **DOES** better facilitate Applicable BSC Objective (e);
- c) **AGREE** an initial recommendation that P380 should be approved;

P380: Recommendations (2 of 2)

We invite the Panel to:

- d) AGREE** an initial view that P380 should be treated as a Self-Governance Modification;
- e) AGREE** the draft legal text;
- f) AGREE** an initial Implementation Date for P380 of:
 - 27 June 2019 (June 2019 BSC Release); and
- g) NOTE** that ELEXON will issue the P380 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 14 March 2019.

Public

Removal of Quarterly Reports

287/05

14 February 2019
Faysal Mahad

Issue and Proposed solution

Issue

- Under BSC Section C3.9.1 (BSCCo and Its Subsidiaries, Reporting and Information for BSCCo), ELEXON is required to provide to the Panel, BSC Parties and the Authority, 'quarterly reports'
- The quarterly reports are not viewed by market participants, as the information is made readily available in a more timely and accessible manner elsewhere on the BSC website

Proposed Solution

- Remove the obligation in BSC Section C3.9.1 for ELEXON to be required to produce quarterly reports

Impact, Costs and Applicable BSC Objectives

Applicable BSC Objective (d)

- Stops duplication of information being produced that is not being read; and
- Stops out-of-date information being published

Impacts:

- ELEXON (as BSCCo)

Costs:

- £240 (One ELEXON Working Day of effort); and
- Removal of the quarterly report will save ELEXON~ 14 Working Days per year, which equates to approximately £3360 per year

Proposed Progression

- As this Modification's proposed solution is straight forward and self-evident, we recommend that this Modification goes straight to the Report Phase in accordance with BSC Section F 2.2.4

Self-Governance

- This Modification should be progressed as a Self-Governance Modification as it will not have a material effect on the Self-Governance criteria

Implementation Date

- Recommended Implementation Date: 27 June 2019 as part of the June 2019 BSC Release

Progression Plan

- Report Phase Consultation (10 Working Days) – **18 February – 1 March 2019**
- Present Draft Modification Report to Panel – **14 March 2019**
- Final Modification Report published – **18 March 2019**
- Self-Governance Appeal Window (15 Working Days) – **14 March – 3 April 2019**

Recommendations (1 of 2)

We invite the Panel to:

- a) **RAISE** the Modification Proposal in Attachment A (in accordance with F2.1.1(d)(i));
- b) **AGREE** that the Modification Proposal progresses directly to the Report Phase (in accordance with BSC Section F 2.2.4);
- c) **AGREE** that the Modification Proposal;
 - **DOES** better facilitate Applicable BSC Objective (d);
- d) **AGREE** an initial recommendation that the Modification Proposal should be approved;

Recommendations (2 of 2)

We invite the Panel to:

- e) **AGREE** an initial Implementation Date of:
 - 27 June 2019 (June 2019 BSC Release);
- f) **AGREE** the draft legal text;
- g) **AGREE** that the Modification Proposal should be treated as a Self-Governance Modification; and
- h) **NOTE** that ELEXON will, subject to Panel agreement, issue the Draft Modification Report, including the draft BSC legal text, for a 10 Working Day Report Phase Consultation and will present the results to the Panel at its meeting on 14 March 2019.

Public

P370 'Allow the Panel to designate non-BSC Parties to raise Modifications'

287/06

14 February 2019
Faysal Mahad

P370: Background

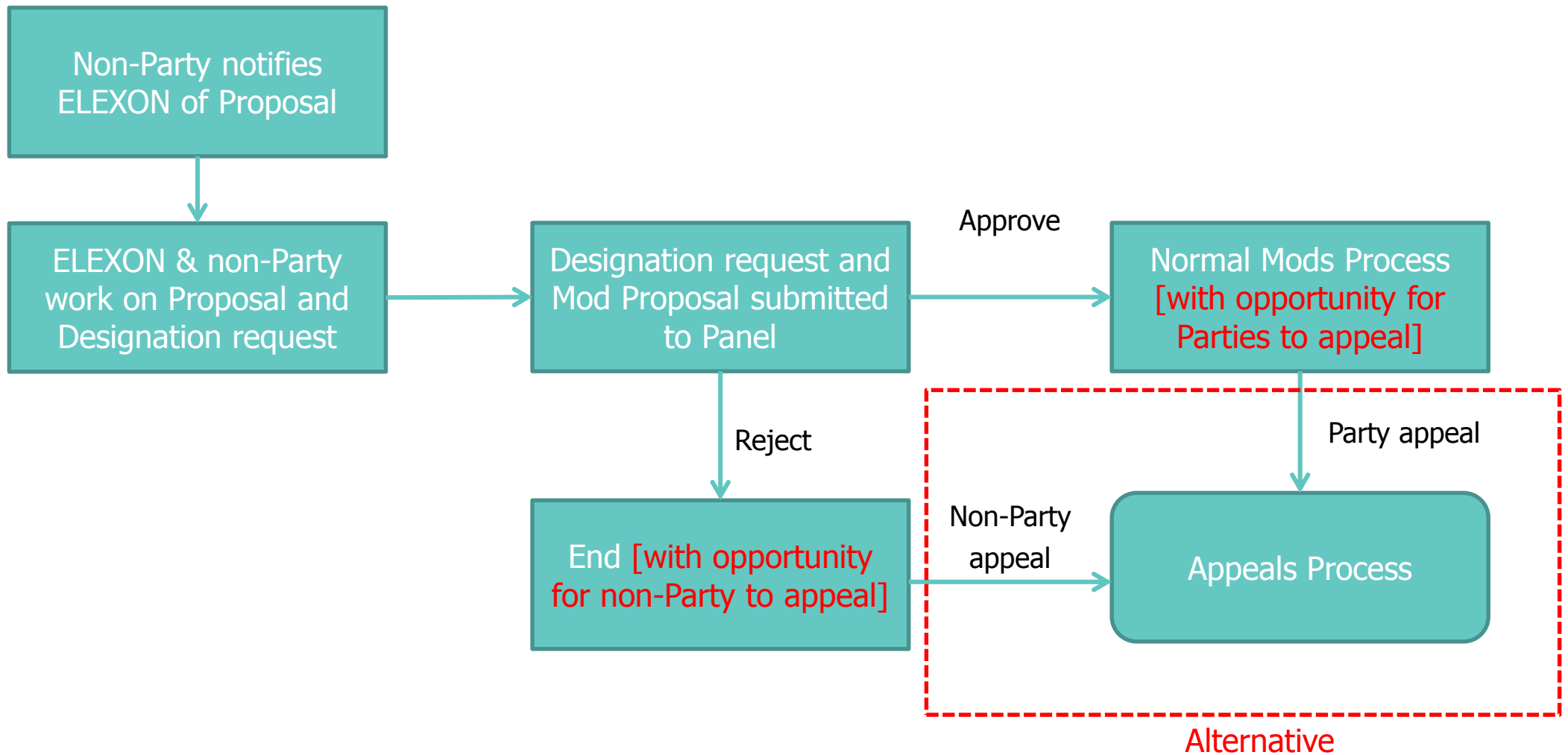
The Issue

- The current process to designate “*such other bodies representative of interested third parties*” to raise a Modification is slow, opaque and not aligned with self-governance principles

Background

- In March 2017, the Authority’s designation process was tested (the first time) and proved to be overly time consuming, adding almost 12 weeks to the front-end of the Modification Procedure
- We continue to see the emergence of a range of new operating models that do not “fit” with the traditional roles around which the BSC was originally designed
- Increasingly these new operating models require access to, or are impacted by, arrangements that are governed, either partially or wholly, under the BSC

P370: Proposed and Alternative Solution



- The existing Issues process will also be opened up to non-BSC Parties

P370: Panel's initial views

The BSC Panel initially recommended:

- That the P370 Alternative Modification should be **approved** and that the P370 Proposed Modification should be **rejected**;
- An Implementation Date for P370 of:
 - 29 March 2019, if an Authority decision is received on or before 22 March 2019, as an ad-hoc BSC Release; or
 - five Working Days after an Authority decision, as a standalone BSC Release, if a decision is received after 22 March 2019
- The draft BSC legal text for the P370 Proposed and Alternative Modification;
- The draft redlining for BSCP40 for the Proposed and Alternative Modification; and
- The draft Issue Group Terms of Reference.

P370: Report Phase Consultation responses (1/3)

Question	Yes	No	Neutral	Other
Q1: Do you agree with the Panel's initial unanimous view that the P370 Proposed Modification better facilitates the Applicable BSC Objectives than the current baseline?	8	1	1	0
Q2: Do you agree with the Panel's initial unanimous view that the P370 Alternative Modification better facilitates the Applicable BSC Objectives than the current baseline?	9	1	0	0
Q3: Do you agree with the Panel's initial majority view that the P370 Alternative Modification better facilitates the Applicable BSC Objectives than the P70 Proposed Modification and should therefore be approved?	9	1	0	0

Comments provided included:

- a majority support for the Panel's initial view on the P370 Alternative and Proposed Modification;
- one respondent did not agree with the Panel's initial view that the P370 Alternative and Proposed Modification better facilitate the Applicable BSC Objectives than the current baseline; however, added that the Alternative solution is marginally better than the Proposed

P370: Report Phase Consultation responses (2/3)

Question	Yes	No	Neutral	Other
Q4: Do you agree with the Panel that the redlined changes to the BSC deliver the intention of the P370 Proposed and Alternative solutions?	10	0	0	0
Q5: Do you agree with the Panel that the redlined changes to BSCP40 deliver the intention of the P370 Proposed and Alternative solutions?	10	0	0	0
Q6: Do you agree with the Panel that the draft Issue Group Terms of Reference deliver the intention of the P370 Proposed and Alternative solutions?	10	0	0	0
Q7: Do you agree with the Panel's recommended Implementation Date?	10	0	0	0
Q8: Do you agree with the Panel's initial view that P370 should not be treated as a Self-Governance Modification?	10	0	0	0

P370: Report Phase Consultation responses (3/3)

Question	Yes	No	Neutral	Other
Q9: Do you have any further comments on P370?	4	7	N/A	N/A

Comments provided included:

- support for a extension to allow non-Parties to raise Change Proposals; and
- a call for the current funding arrangements for BSCCo to be reviewed to ensure a fair contribution to the costs from all who benefit from BSCCo arrangements as the market is changing and BSCCo seeks to serve this new, wide and diverse set of stakeholders.

P370: Recommendations (1 of 2)

We invite the Panel to:

- a) **AGREE** that the P370 Proposed Modification:
 - **DOES** better facilitate Applicable BSC Objective (c);
 - **DOES** better facilitate Applicable BSC Objective (d); and
- b) **AGREE** that the P370 Alternative Modification:
 - **DOES** better facilitate Applicable BSC Objective (c);
 - **DOES** better facilitate Applicable BSC Objective (d); and
- c) **AGREE** that the P370 **Alternative** Modification is **better** than the P370 Proposed Modification;
- d) **AGREE** that the P370 **Alternative** Modification should be **approved** and that the P370 **Proposed** Modification should be **rejected**;

P370: Recommendations (2 of 2)

- e) **APPROVE** an Implementation Date for the Proposed and Alternative Modification of:
 - 29 March 2019, if an Authority decision is received on or before 22 March 2019, as an ad-hoc BSC Release; or
 - five Working Days after an Authority decision, as a standalone BSC Release, if a decision is received after 22 March 2019.
- f) **AGREE** that P370 should **not** be treated as a Self-Governance Modification;
- g) **APPROVE** the draft legal text for the Proposed and Alternative Modification;
- h) **APPROVE** the draft redlining for BSCP40 for the Proposed and Alternative Modification;
- i) **APPROVE** the P370 Modification Report.

Public

Issue 76 'Using the BSC to support Suppliers and the Capacity Market Arrangements'

Tabled

14 February 2019
Matthew Woolliscroft

Recommendations

We invite the Panel to:

- a) **NOTE** the Issue 76 report.

Public

Minutes of meeting 285B, 286, 286C and actions arising

14 February 2019
Claire Kerr

Public

Chairman's Report

14 February 2019
Michael Gibbons

ELEXON

Public

ELEXON Report

287/01

14 February 2019
Mark Bygraves

ELEXON

Public

Distribution Report

14 February 2019
David Lane

ELEXON

Public

National Grid Report

14 February 2019
Jon Wisdom

ELEXON

Public

Ofgem Report

14 February 2019
Colin Down

ELEXON

Public

Panel Committee reports

287/01b-d

14 February 2019

ELEXON

Public

Trading Operations: BSC Operations Headline Report

287/02

14 February 2019

Public

System Price Analysis Report

ISG213

14 February 2019

ELEXON

Public

Review of BSC Specified Charges

287/08

14 February 2019
Darren Draper

ELEXON

Current v Proposed Charges

Specified Charge	Current Rate	Proposed Rate
Notified Volume Charge (Contracts Traded)	£0.0005/MWh/month	£0.0005/MWh/month (No Change)
SVA Specified Charge (Half Hourly MSIDs)	£0.00632/MSID/month	£0.00757/MSID/month
Dataline Monthly	Direct recovery of communication line costs charged by the BSC Central Service Agent, varied from £291.25/month to £785.42/month depending on technical specifications chosen.	Pass through (Increase only by indexation)
TIBCO Charges	Direct recovery of TIBCO license costs charged by TIBCO Software Inc. currently at £16,426 for one off standard set up and £246.39/month for support (18% of installation cost per annum).	Pass through (Increase only by indexation)
Base Monthly Charge	£250/month	No Change (Will be reviewed by Issue Group)
CVA Metering System Monthly Charge	£50/month	No Change (Will be reviewed by Issue Group)
CVA BM Unit Monthly Charge	£100/month	No Change (Will be reviewed by Issue Group)
Supplier Base BM Unit Monthly Charge	£60/month	No Change (Will be reviewed by Issue Group)
Supplier Additional BM Unit Monthly Charge	£60/month	No Change (Will be reviewed by Issue Group)
Virtual Lead Party Monthly Charge	N/A	£125/month (will be reviewed by Issue Group)
Secondary BM Unit Charge	N/A	£60/month (will be reviewed by Issue Group)

Recommendations

We invite the Panel to:

- a) **APPROVE** the new SVA Specified Charge of £0.00757/SVA MSID per month;
- b) **APPROVE** the new Secondary BM Unit Charge of £60/SBMU per month; and
- c) **APPROVE** the new Virtual Lead Party Monthly Charge of £125 per month.

Public

Approval of the BSC Architecture Principles Document amended for CP1511

287/09

14 February 2019
Colin Berry

ELEXON

CP1511 - Clarification of BSCP40 Definitions & Processes

- BSC Panel has approved CP1511 for implementation on 29 March 2019
 - BSCP40 changes approved with CP
 - Introduces a new Category 3 for Configurable Items
 - BSC Architecture Principles Document amended
 - Will become a Category 3 Configurable Item
 - Changes developed for the March 2019 special release

- Industry Consultation
 - Issued in January 2019
 - No comments received

Recommendations

We invite the Panel to:

- a) **NOTE** that version 5.2 of the BSC Architecture Principles Document has been produced to implement changes required by CP1511;
- b) **APPROVE** version 5.2 of the BSC Architecture Principles Document to become effective as version 6.0 on 29 March 2019; and
- c) **NOTE** that the BSC Architecture Principles Document will become a Category 3 Configurable Item in the BSC Baseline Statement on 29 March 2019.

Public

Approval of revised versions of Configurable Items already approved for P344

287/10

14 February 2019
Colin Berry

ELEXON

BSC Configurable Items amended for P344

- BSC Panel has approved changes to Configurable Items for P344 to become effective on 28 February 2019
- P359 and CP1510 also become effective on 28 February 2019
- Many P344 Configurable Items also contain changes for P359 and / or CP1510
- Consolidated versions of Configurable Items created for the February 2019 Release
- Some non-material changes implemented and minor errors corrected
- Panel is invited to:
 - Approve new versions of BSCP602 and BSCP503 to supersede the versions previously approved
 - Note that non-material corrections and clarifications implemented in other February 2019 Release documents

Recommendations

We invite the Panel to:

- a) **NOTE** that we have made non-material changes to documents amended for the February 2019 Release;
- b) **NOTE** the rationale for only seeking approval of revised versions of BSCP503 and BSCP602 for P344;
- c) **APPROVE** the revised versions of BSCP503 and BSCP602 to become effective on 28 February 2019; and
- d) **NOTE** that the revised versions of BSCP503 and BSCP602 supersede the versions previously approved by the Panel for P344.

Public

Approval of Replacement Reserve Schedule Methodology

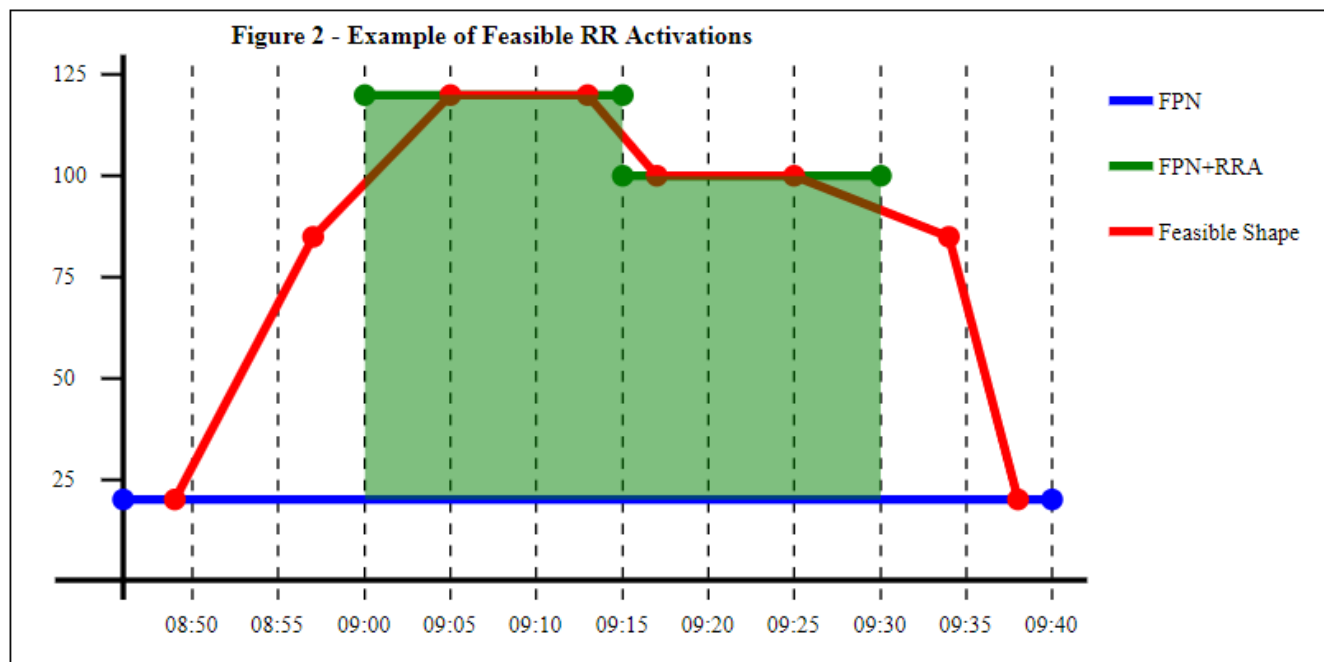
287/11

14 February 2019

Mark De Souza-Wilson / John Lucas

Background

- Approved BSC Modification '[P344 Project TERRE Implementation into GB market arrangements](#)' will introduce a BSC process for making payments to/from BM Units participating in the European auction for Replacement Reserve (RR)
- The P344 process for settling RR requires Settlement systems to calculate "**RR Schedules**", which add ramps to the rectangular 'blocks' delivered by the auction
- Assuming the unit can physically deliver the TERRE auction results, the RR Schedule should closely match the "RR Instruction" issued to the BM Unit by National Grid



- Where the auction result cannot be delivered – due to issues with the BM Unit or the system as a whole – the RR Schedule will not match the RR Instruction

The RR Schedule Methodology

- The P344 solution requires that the rules for creating RR Schedules are documented in an “**RR Schedule Methodology**”
- The RR Schedule Methodology forms part of the business requirements to be implemented in the November 2019 BSC Systems Release
- We are requesting approval of the Methodology now, in order to establish baseline requirements for delivery of BSC Systems:
 - Settlement Administration Agent (SAA)
 - Balancing Mechanism Reporting Agent (BMRA)

Industry consultation

- Version 0.2 of the RR Schedule Methodology issued for consultation on 16 January 2019 (for two weeks)
- Three responses received (National Grid, Quorum Development, Welsh Water) – see Attachment A
- Version 0.3 of the RR Schedule Methodology (Attachment C) contains redlined changes:
 - Clarifications and corrections to address some of the detailed points raised by National Grid and Quorum Development
 - A technical change to the process for identifying a feasible MW profile to deliver the results of the Auction (Attachment B)
- Version 0.3 did not address all comments from National Grid and Quorum Development, because it was not possible to schedule discussions prior to Panel Paper Day

Further changes to RR Schedule Methodology

- Version 0.4 of the Methodology (circulated with the late papers) was updated again following discussions with National Grid and Quorum Development:
 1. Footnote added to page 6 to clarify that the RR Instruction sent to the Control Point (unlike that sent to Settlement) may omit intermediate break-points
 2. Statement added to page 8 to clarify that RR Schedules will be published in the SAA-I014 Settlement Report
 3. Changes on page 17 to clarify that the NETSO may wait before issuing the final part of the RR Instruction, and a consequential clarification to Principle 7
 4. Additional information in section 3.2.1 to provide more detail of the proposed treatment of discontinuities in the FPN and/or RR Baseline
 5. Addition of a diagram in step 3.3.1 to clarify the routes through steps 2 to 5 of the Methodology
 6. Various minor typos corrected (including some labels on Figures 19 – 21)

Recommendations

We invite the Panel to:

- a) **NOTE** the responses received to the consultation;
- b) **APPROVE** version 0.4 of the RR Schedule Methodology Document to become effective as version 1.0 on 7 November 2019; and
- c) **AGREE** that the RR Schedule Methodology Document will become a Category 3 Configurable Item in the BSC Baseline Statement on 7 November 2019.

Public

Updates to Panel Committees' Terms of Reference

287/12

14 February 2019
Claire Kerr

Proposed changes

ISG, SVG and TDC Changes

- Consequential changes out of P369 – 'Transmission Company Representative/Member' to 'National Electricity Transmission System Operator (NETSO) Representative/Member'

PAB Changes

- Recording of PAB meetings - in line with the BSC Panel Policy on recording meetings

SVG Changes

- Panel agreed to delegate responsibility to the SVG to have the power to agree that SVA Metering Systems should be treated, (for purposes of the BSC, and specifically provision of charging data to Electricity Market Reform Settlement (EMRS)) as recording volumes of exempt supply

Recommendations

We invite the Panel to:

- a) **APPROVE** the proposed changes to the ISG's Terms of Reference;
- b) **APPROVE** the proposed changes to the SVG's Terms of Reference;
- c) **APPROVE** the proposed changes to the TDC's Terms of Reference; and
- d) **APPROVE** the proposed changes to the PAB's Terms of Reference.

