

MINUTES

MEETING NAME BSC Panel

Meeting number 288

Date of meeting 14 March 2019

Venue ELEXON Ltd, 350 Euston Road, NW1 3AW

Classification Public

ATTENDEES AND APOLOGIES

Attendees	Michael Gibbons	MG	BSC Panel Chairman
	Colin Down	CD	Ofgem Representative
	David Lane	DL	DSO Representative
	Derek Bunn	DB	Independent Panel Member
	Diane Dowdell	DD	Industry Panel Member
	Jon Wisdom	JW	National Electricity Transmission System Operator Representative
	Lisa Waters	LW	Industry Panel Member
	Mitch Donnelly	MD	Industry Panel Member
	Phil Hare	PH	Independent Panel Member (and alternate for SH)
	Stuart Cotton	SC	Industry Panel Member
	Tom Edwards	TE	Industry Panel Member (and alternate for VP)
	Mark Bygraves	MB	ELEXON CEO (Part Meeting)
	Lawrence Jones	LJ	Modification Secretary
	Victoria Moxham	VM	Panel Secretary
	Claire Kerr	CK	Panel and Committee Support Manager
	Nigel Perdue	NP	ELEXON Director of Operations
	Angela Love	AL	ELEXON Director of Strategy and Communications (Part Meeting)
	Chris Wood	CW	ELEXON (Part Meeting)
	Faysal Mahad	FM	ELEXON (Part Meeting)
	Danielle Pettitt	DP	ELEXON (Part Meeting)
	Adam Musgrave	AM	ELEXON (Part Meeting)
	Elliott Harper	EH	ELEXON (Part Meeting)
	Matthew Roper	MR	ELEXON (Part Meeting)
	Alina Bakhareva	AB	ELEXON (Part Meeting)
	Kate Norton	KN	ELEXON (Part Meeting)
	Nick Baker	NB	ELEXON (Part Meeting)
	Rebecca Kassube	RK	ELEXON (Part Meeting)
	Nicholas Rubin	NR	ELEXON (Part Meeting)
	Beth Brown	BB	ELEXON (Part Meeting)
	Katie Wilkinson	KW	ELEXON (Part Meeting)
	Tom Darwen	TD	ELEXON (Part Meeting)
	Fungai Madzivadondo	FM	ELEXON (Part Meeting)
	Simon Lord	SL	Engie (P383 Proposer) (Part Meeting)
	Jon Wilkins	JWil	ResearchCraft (Part Meeting)

MINUTES

	Alessandra De Zottis	AZ	Observer (UK Power Reserve)
Apologies	Mark Bellman	MBe	Industry Panel Member
	Stew Horne	SH	Consumer Panel Member
	Victoria Pelka	VP	Consumer Panel Member

1. Apologies

- 1.1 The Chairman confirmed the apologies of Mark Bellman, Stew Horne and Victoria Pelka.

MODIFICATION BUSINESS (OPEN SESSION)

2. Change Report and Progress of Modification Proposals – 288/03

- 2.1 The Modification Secretary provided an update on open Modifications and Change Proposals.
- 2.2 In relation to [P361 'Revised treatment of BSC Charges for Lead Parties of Interconnector BM Units'](#), the Modification Secretary advised that ELEXON had been continuing its engagement with Ofgem to provide further information where requested to help inform Ofgem's decision. The Chairman highlighted that P361 was submitted to the Authority on 13 July 2018, eight months prior.
- 2.3 The Modification Secretary highlighted that [P378 'Introduction of a CM Supplier Interim Charge'](#) was rejected by the Authority on 20 February 2019 as it was deemed to be unlawful to approve this. Further, ELEXON was not aware of Ofgem having received any appeals to its decision.
- 2.4 A Panel Member thanked ELEXON for all their hard work but expressed disappointment that Ofgem had not highlighted its concerns at an earlier stage during the Urgent Modification process as they had been involved in the Issue Group and Urgent Panel meetings. They suggested that there were lessons for Ofgem to learn over this. The Ofgem Representative advised that it had taken legal counsel before making a decision and that some of the concerns were not apparent during the Urgent Modification process; these were realised later on.
- 2.5 The Modification Secretary noted that Ofgem had now gone past its 25 Working Days (WDs) KPI to make a decision on [P377 'Amending Gate Closure references in Market Index Data to include trades up to the Submission Deadline in the Market Index Data Calculations'](#). The Ofgem Representative noted that the delay should not signal any concerns; the delay is down to resourcing issues but it hoped to publish a decision as soon as possible.
- 2.6 The Modification Secretary advised that Ofgem approved [P373 'Reversing the changes relating to Approved Modification P297'](#) on 20 February 2019 for implementation on 27 February 2019 (5WDs) following an Authority decision. P373 therefore immediately fully reversed [P297 'Receipt and Publication of New and Revised Dynamic Data Items'](#). ELEXON and National Grid ESO are now working on raising new Modifications in relation to this. The NETSO Representative commented that it is firstly working its way through the Grid Code changes before bringing forward proposals to make the subsequent changes to the BSC.
- 2.7 In relation to [P374 'Aligning the BSC with the EB GL change process and derogation approach'](#), the Modification Secretary highlighted some quoracy issues to the Panel. The first Workgroup meeting took place on 20 February 2019 despite not being quorate. However, this did not matter as no decisions were being made by the Workgroup at this stage. A second Workgroup meeting was scheduled for 12 March 2019 but this meeting was cancelled as quoracy could not be met despite ELEXON's best efforts to find additional representatives through direct communications with market participants.

MINUTES

- 2.8 The Modification Secretary asked the Panel if they or anybody they know from their organisations would be willing to participate in the Workgroup to increase the members on the P374 Workgroup. A Panel Member commented that they believed the lack of involvement was down to resourcing issues for Parties as they have a lot going on. They queried whether the Modification could be progressed in a different way. The Modification Secretary noted that P374 has been put into the Assessment Procedure and so a Workgroup is required. Additionally the BSC has quoracy rules for a reason (four Workgroup Members and the Proposer) and therefore five Workgroup members with 50% attendance is required for voting rights. It was noted that the attendance threshold had recently been reduced, and alternates allowed, to try and make it easier to participate in Workgroups.
- 2.9 Another Panel Member expressed the view that there was a lack of Workgroup members as Parties believed this to be a regulatory issue rather than a BSC issue. Further, Parties believed this to be an issue for ELEXON (as it may impact the sandbox and change process) and non-Parties to the BSC (who may be seeking a derogation) rather than an issue for Suppliers.
- 2.10 A Panel Member queried how many further Workgroup meetings would be needed. The Modification Secretary believed that two or three further meetings would be required, but would confirm the commitment requirements to any interested individuals.
- 2.11 The Modification Secretary also highlighted some potential new Modifications which it would be bringing to the Panel over the next couple of months:
- Panel Elections Modifications to look at:
 - Allowing nominations and voting via email as these are currently only allowed via fax/post;
 - Timing of the BSC Panel Elections process so that it does not clash with the voting on BSCCo Board Directors;
 - Second voting round definitions are inconsistent (Section B-2 3.4.1 (c) & (d)); and
 - Third voting round intention may not be reflected in the wording (Section B-2 3.5.1)
 - Rectification of legal text conflicts:
 - P369 replaces Transmission Company (TC) with NETSO but [P344 'Project TERRE implementation into GB market arrangements'](#) introduced new references to TC; and
 - [P372 'Speeding up the approval process for the publication of BSC data on the BMRS'](#) removes the reporting requirements from BSC Section V and [P384 'The publication of European Electricity Balancing Guideline \(EB GL\) balancing data by BMRS'](#) seeks to amend the BSC Section V reporting requirements.
- 2.12 The BSC Panel:
- a) **AGREED** that ELEXON draft the potential new Modifications and invite the Panel to raise them at subsequent Panel meetings; and
 - b) **NOTED** the March Change Report.
- 3. P382 'Amendments to the BSC to reflect the United Kingdom's withdrawal from the European Union without a deal' – 288/04**
- 3.1 The BSC contains multiple references to European Union (EU) legislation and bodies. Additionally, it also contains text introduced as a result of implementing various EU legislation. Retaining these references and text following the United Kingdom's (UK's) withdrawal from the EU without a deal ('no-deal Brexit') will mean that the BSC is no longer technically accurate.

MINUTES

- 3.2 ELEXON highlighted to the Panel that everything they were about to ask the Panel to note is true to its best knowledge at this moment in time.
- 3.3 A Panel Member queried whether the BSC may have similar issues to the Connection Use of System Code (CUSC) in that having the CUSC Panel approve the Modification as Self-Governance, this meant the changes would be implemented into the CUSC after 5WDs and there would be no way to stop this. The NETSO Representative advised that the CUSC Panel had found a workaround to this by not making its decision to implement the Modification until 1 April 2019, which would be after the Statutory Instruments (SI) came into force.
- 3.4 ELEXON advised that the BSC would not face a similar situation as the Panel would not make its final recommendation on P382 until 11 April 2019, following which there would be a 15WD Self-Governance appeal window. ELEXON also re-iterated that the Withdrawal Act will allow the BSC to continue to operate normally until P382 is implemented.
- 3.5 The BSC Panel:
- a) **AGREED** that [P382](#) progresses directly to the Report Phase;
 - b) **AGREED** that P382:
 - **DOES** better facilitate Applicable BSC Objective (a);
 - **DOES** better facilitate Applicable BSC Objective (d); and
 - **DOES** better facilitate Applicable BSC Objective (e);
 - c) **AGREED** an initial recommendation that P382 should be approved;
 - d) **AGREED** an initial Implementation Date of 7 May 2019, the day after the closure of the Self-Governance appeals window or later by Panel decision;
 - e) **AGREED** the draft legal text;
 - f) **AGREED** an initial view that P382 should be treated as a Self-Governance Modification; and
 - g) **NOTED** that ELEXON will issue the P382 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 11 April 2019.
- 4. P383 'Enhanced reporting of demand data to the NETSO to facilitate CUSC Modifications CMP280 and CMP281' – 288/05**
- 4.1 [P383](#) proposes to enable the aggregation of specific Metering Systems' metered data for network charging purposes, i.e. to support the operation of Connection Use of System Code (CUSC) Modification Proposals [CMP280 'Creation of a New Generator TNUoS Demand Tariff which Removes Liability for TNUoS Demand Residual Charges from Generation and Storage Users'](#) and [CMP281 'Removal of BSUoS Charges From Energy Taken From the National Grid System by Storage Facilities'](#). P383 will introduce processes explaining how Suppliers, Half Hourly Data Aggregators (HHDAs) and the Supplier Volume Allocation Agent (SVAA) participate in the aggregation and reporting of storage facilities' Metering Systems' metered data and enable the BSC Panel and BSCCo to perform assurance activities in relation to the aggregation of this data.
- 4.2 A Panel Member advised that its company Drax Power is the Proposer of CMP280 so agreed to abstain from voting on this Modification.
- 4.3 A Panel Member requested that the Workgroup's Terms of Reference also include what wider data provisions could be made available once it has been collected as this would be useful for Parties trading in the market. The Proposer agreed that this is something that should be looked at by the Workgroup including what dataflows would be appropriate to be used. Another Panel Member also noted that in Ofgem's [open letter on](#)

MINUTES

[storage](#) it had indicated that it is looking at a distribution site solution and requested that the Terms of Reference include this so the Workgroup can explore whether everything could be put in one place. ELEXON agreed to include both of these additional points to the Workgroup's Terms of Reference.

4.4 The BSC Panel:

- a) **AGREED** that P383 progresses to the Assessment Procedure;
- b) **AGREED** the proposed Assessment Procedure timetable;
- c) **AGREED** the proposed membership for the P383 Workgroup; and
- d) **AGREED** the Workgroup's Terms of Reference.

5. **P384 'The publication of European Electricity Balancing Guideline (EB GL) balancing data by BMRS' – 288/06**

- 5.1 [P384](#) will ensure the BSC remains compliant with the European Electricity Balancing Guideline (EB GL) and the European Transparency Regulation (ETR) for publishing balancing related information.
- 5.2 ELEXON advised that the costs for P384 would be significantly increasing by approximately 20-30%. However, this was still subject to further impact assessment.
- 5.3 ELEXON is working hard to deliver P344 at the same time as P384. Implementing P384 at the same time as P344 will add significant risk to the delivery profile. ELEXON highlighted to the Panel that there remains uncertainty around the risks and costs for this Modification; it is needed under EB GL by 18 December 2019 but there are significant risks in being able to do this.
- 5.4 A Panel Member queried the reasoning behind the increase in costs. ELEXON advised that it had been working through the requirements with its Service Provider in the background for the past few months but that the technical design assumptions used by the Service Provider in their original estimates were challenged by ELEXON. When the design required to meet the EB GL requirements was looked at again by the Service Provider, the true cost was higher than their original design indicated. This had caused a change to the implementation approach and the costs. The NETSO Representative confirmed that ELEXON had made them aware of the risk and had been working closely with ELEXON to try and get these implemented within the timescale so that it is compliant with EB GL.
- 5.5 A Panel Member queried what the likelihood is of a risk of delivery to P344. ELEXON confirmed that it is currently working through this and would look to update the Panel at the 11 April 2019 Panel meeting. However, it is currently believed that it will add a significant risk to the delivery of P344. Another Panel Member strongly emphasised that under no circumstances should ELEXON look to defer P344 as industry is relying on this for wider market access. ELEXON noted that to reduce the risk to the implementation of P344, it was recommending a two-phased approach for P384, but even this would have a significant risk to the P344 delivery. Not delivering P344 and P384 at the same time would reduce the risk, but these risks need to be further detailed for Panel consideration. ELEXON informed the Panel that it was considering whether starting earlier on implementing P384 would help i.e. before formal approval is given. The NETSO Representative advised that it may not be able to support a phased implementation due to the provision of data that is included in the P344 implementation, which may not be able to be separated out. The Panel requested that ELEXON and National Grid ESO liaise re a phased approach and deferral actions.

ACTION 288/03

- 5.6 A Panel Member queried whether ELEXON is still required to report data on the Balancing Mechanism Reporting System (BMRS) depending on the outcome of Brexit. ELEXON noted that regardless of Brexit, ELEXON would still need to report data on the BMRS although the requirements would change. ELEXON was seeking approval from Ofgem to appoint BMRS as the data reporting service under a 'no deal' Brexit.

MINUTES

- 5.7 A Panel Member asked ELEXON to note that making changes to Application Programming Interfaces (APIs) on the BMRS would have an impact and cost on Parties. ELEXON clarified that it would be looking to amend existing data items so confirmed there would be an impact and cost to Parties. ELEXON also highlighted that [CP1516 'New Interconnector Fuel Type Categories: ElecLink & IFA2'](#) is looking to include two Interconnectors' data on the BMRS at the same time as P344 and P384. ELEXON therefore confirmed that it needs to look at the package of changes as a whole rather than in isolation.
- 5.8 A Panel Member queried whether there is an overlap of requirements between P344 and P384. ELEXON confirmed that there are and it has identified these in the proposed solution for P384. Additionally, Parties will be able to access data under P344 regardless. However there are also some differences e.g. in relation to aggregated data under Article 12 of the EB GL.
- 5.9 A Panel Member queried who could take action against ELEXON if it was not compliant with EB GL on 18 December 2019. ELEXON confirmed that this would be the National Regulatory Authority (NRA) through National Grid ESO.
- 5.10 A Panel Member suggested that P384 be delayed until ELEXON had more certainty. ELEXON commented that the benefits of delaying P384 to the 11 April 2019 Panel meeting would hopefully mean it would be in a better position to advise the Panel on the risks, lead times and costs. However, the disadvantage would be that a decision would be delayed by a month, reducing the available implementation time. However, this should still provide enough time to implement, subject to revised impact assessments. A Panel Member commented that they would be uncomfortable consulting without costs and dependency with National Grid being fully understood. The Panel therefore unanimously agreed to defer P384.
- 5.11 The BSC Panel:

DEFERRED consideration of P384, pending clarification on the P384 costs, impacts and associated risks to [P344 'Project TERRE implementation into GB market arrangements'](#).

6. **P363 'Simplifying the registration of new configurations of BM Units'/P364 'Clarifying requirements for registering and maintaining BM Units' – 288/07**

- 6.1 [P363](#) seeks to simplify the process for the registration and maintenance of Balancing Mechanism (BM) Units, [P364](#) seeks to improve the permissible configurations of BM Units. P363 and P364 (P363/4) are being progressed together as a single solution which will apply equally to both. P363/4 applies only to BM Units that are not Supplier BM Units or Interconnector BM Units.
- 6.2 A Panel Member thanked ELEXON for all its hard work on this Modification noting that it had not been as straightforward as initially thought but that it would have a significant impact on the systems.
- 6.3 A Panel Member commented that 415V is an old-fashioned voltage that was harmonised years ago by the EU for 400V plus/minus 10% but suggested that ELEXON uses the voltage that gives maximum scope. ELEXON advised that there are six sites which use 400V but there is a site that uses 415V. Therefore it had recommended using 415V as it did not want to exclude any Parties from using the benefits of this Modification.
- 6.4 A Panel Member queried whether ELEXON had received any interest in a Party adopting P363. ELEXON advised that it had not but that it had included a consultation question on this point; there was unanimous feedback from respondents for amalgamation.
- 6.5 The BSC Panel:
- a) **AGREED** that that the P363 and P364 be amalgamated as a single P364 Modification;
 - b) **AGREED** that P364:

MINUTES

- **DOES** better facilitate Applicable BSC Objective (c); and
- **DOES** better facilitate Applicable BSC Objective (d);
- c) **AGREED** initially that P364 should be approved;
- d) **AGREED** an initial Implementation Date of:
 - 27 June 2019 as part of the June 2019 BSC Release;
- e) **AGREED** the draft legal text;
- f) **AGREED** an initial view that P364 should be treated as a Self-Governance Modification;
- g) **AGREED** that P364 is submitted to the Report Phase; and
- h) **NOTED** that ELEXON will issue the P364 raft 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 11 April 2019.

7. P380 'Revision to Replace Reserve Bid Data Submission Deadline Requirements' – 288/08

- 7.1 Recent changes to the Replacement Reserve Implementation Framework (RRIF), specifically the Transmission System Operator (TSO) energy bid submission gate closure time for Replacement Reserves (RR), mean that National Grid as the GB Electricity System Operator (ESO) will not be able to be compliant with the Balancing and Settlement Code (BSC) obligations introduced under Modification P344. [P380](#) proposes to modify the BSC Section Q 'Balancing Mechanism Activities' wording introduced by P344 to ensure National Grid ESO's continued compliance with the BSC and the RRIF.
- 7.2 The BSC Panel:
- a) **AGREED** 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);
 - b) **DETERMINED** (in the absence of any Authority direction) that P380 is a Self-Governance Modification Proposal;
 - c) **APPROVED** Modification P380;
 - d) **APPROVED** an Implementation Date of:
 - 27 June 2019 as part of the scheduled June 2019 BSC Release;
 - e) **APPROVED** the draft legal text; and
 - f) **APPROVED** the P380 Modification Report.

8. P381 'Removal of Quarterly Reports' – 288/09

- 8.1 [P381](#) proposes to remove Section C3.9.1 of the BSC in respect of 'quarterly reports'. Currently, 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. Therefore, the current quarterly reports process utilises ELEXON resource that could be better used adding greater value for our customers.
- 8.2 The BSC Panel:

MINUTES

- a) **AGREED** that P381:
 - **DOES** better facilitate Applicable BSC Objective (d);
- b) **DETERMINED** (in the absence of any Authority direction) that P381 is a Self- Governance Modification Proposal;
- c) **APPROVED** Modification P381;
- d) **APPROVED** an Implementation Date of:
 - 27 June 2019 as part of the June 2019 BSC Release;
- e) **APPROVED** the draft legal text for P381; and
- f) **APPROVED** the P381 Modification Report.

NON-MODIFICATION BUSINESS (OPEN SESSION)

9. Minutes of Meeting 287 and Actions arising

- 9.1 The minutes of the previous meeting were agreed and an update on the actions provided.

10. Chairman's Report

- 10.1 The Chairman noted the [open letter](#) which he wrote to BSC Parties and stakeholders on 14 February 2019. The letter set out the key activities of the ELEXON Board and included updates on our strategy, Foundation Programme and governance.
- 10.2 The Chairman advised that it had appointed two Non-Executive Directors, Sara Vaughan and David Titterton to the ELEXON Board with effect from 6 March 2019. Sara and David replace Volker Beckers and Alison Chappell.
- 10.3 The Chairman also informed the Panel that Joanna Whittington (BEIS) and Mary Stark (Ofgem) had agreed to speak at the Annual BSC Meeting on 11 July 2019. In relation to the Annual BSC Dinner, the Chairman enquired as to whether any Panel Members would find it difficult to attend if the dinner was held the evening before the Annual BSC Meeting on 10 July 2019. One Panel Member indicated that they may find this difficult but would look to see if they could rearrange their travel plans in order to attend.
- 10.4 A Panel Member noted that National Grid's Future Energy Scenarios (FES) event is normally held on the same day as the Annual BSC Meeting. ELEXON advised that it was in discussions with National Grid to try to ensure that there is not a clash so industry participants are able to attend both events.

11. ELEXON Report – 288/01

- 11.1 NP provided an update on recent activities and developments relevant to the BSC and ELEXON since the last Panel meeting.
- 11.2 NP advised the Panel that a couple of responses had been received to ELEXON's consultation for a decrease to the Credit Assessment Price (CAP) so a Credit Committee meeting will be held on 15 March 2019.

12. Distribution Report - Verbal

- 12.1 DL had nothing to report.

13. National Grid Report – Verbal

MINUTES

- 13.1 JW noted that National Grid ESO had concluded its [C16 consultation process](#). JW advised that it had a significant increase in the number of responses in comparison to previous years.
- 13.2 JW advised that it had raised CUSC Modification [CMP311 'Reassessment of CUSC credit requirements for Suppliers, specifically for "User Allowed Credit" as defined in Section 3, Part III section 3.27 of the CUSC'](#). A Panel Member queried whether the Distribution Connection and Use of System Agreement (DCUSA) intends to raise something similar. The Distribution System Operator Representative commented that the DCUSA is aware of the CUSC Modification so may look to raise something similar in the future.
- 13.3 JW also noted that it issued its [consultation on amended proposal for EBGL Article 18: Terms and Conditions for BSPs and BRPs](#) on 28 February 2019, in response to Ofgem's review of the mapping that National Grid had carried out.
- 13.4 JW also highlighted that the analysis for the Article 16.6 exemptions are still on-going. A Panel Observer queried when the analysis for the Article 16.6 exemption would be made available. JW advised that he was unsure at this point as to whether this analysis would be made publically available or only shared confidentially with the Authority. The Panel Observer queried how market participants would be made aware of the changes that National Grid would be asking for an exemption from. JW agreed to report back on this at the 11 April 2019 Panel meeting.

ACTION 288/04

14. Ofgem Report – Verbal

- 14.1 CD advised that under enforcement and compliance, SSE have agreed to pay out £700,000 in relation to mis-reporting under the FITS.
- 14.2 CD noted that Solarplicity had been prevented from taking on new customers or from increasing the direct debits of vulnerable customers.
- 14.3 In relation to consultations, the Design Working Group (DWG) published its preferred Target Operating Model (TOM) and as such a [consultation](#) was issued. Responses are due by 15 March 2019 if anybody would still like to participate.
- 14.4 CD also advised that he has now joined the team to work on the BEIS/Ofgem Codes Review; however he will still continue his role as the Ofgem Representative on the BSC Panel.

15. Report from the ISG – 288/01b

- 15.1 The Panel noted the report from the ISG.

16. Report from the SVG – 288/01c

- 16.1 The Panel noted the report from the SVG.

17. Report from the PAB – 288/01d

- 17.1 The Panel noted the report from the PAB.
- 17.2 MD commented that he was no longer the PAB Sponsor (this is now the role of MBe) so had not been at PAB meetings for the past six months. He therefore caveated that his initial concerns may no longer be the case. However, at the time his comments were made, MD advised that he had two main concerns:
- Lack of support in relation to EFR – recognising that the EFR team was struggling to get consistent decisions from the PAB as it would depend on who was in attendance each month.

MINUTES

- Membership concerns around appointment process – individuals had submitted applications to become a member of the PAB but had been told by ELEXON there was a waiting list but then the next month there was an announcement that a new PAB Member had been appointed.

- 17.3 MD highlighted that the PAB Chairman, Douglas Alexander, had undertaken some work around the current PAB membership and PAB Members' skills. He had looked to identify whether there were any skills missing that may provide some insight from new applicants.
- 17.4 The Chairman noted that the composition and consistency issues had now been looked at but that it would be sensible to conclude the discussion at the 11 April 2019 Panel meeting with both MBe and Douglas Alexander in attendance.

ACTION 288/07

18. Report from the TDC – 288/01e

- 18.1 The Panel noted the report from the TDC.

19. Trading Operations: BSC Operations Headline Report – 288/02

- 19.1 The Panel noted the BSC Operations Headline Report.

20. System Price Analysis Report (SPAR) – ISG214/04

- 20.1 The Panel noted the System Price Analysis Report.

NON MODIFICATION BUSINESS (OPEN SESSION)

21. Appointment of Panel Committee Chairs by the BSC Panel – 288/10

(VM left the meeting for the discussion).

- 21.1 ELEXON asked the BSC Panel to approve the appointment of a new chairman of the Imbalance Settlement Group (ISG) and a new chairman of the Supplier Volume Allocation Group (SVG).
- 21.2 A Panel Member queried whether ELEXON believed there is any potential for conflict of effort between Victoria's role as Panel Secretary and role as SVG Chairman. ELEXON advised that they both run in different timescales and therefore it was confident that there would be no conflict between these two roles.
- 21.3 A Panel Member requested that new Chairs are provided with adequate chairing training if they have not carried out a Chair position previously. ELEXON's Director of Operations assured the Panel that this training would be provided where applicable.
- 21.4 The BSC Panel:
- a) **APPROVED** the appointment of Iain Nicoll as the new permanent chairman of the ISG, with effect from 1 April 2019; and
 - b) **APPROVED** the appointment of Victoria Moxham as the new permanent chairman of the SVG, with effect from 1 April 2019.

(VM returned for the rest of the meeting).

22. Assurance and Performance of a Risk Based Performance Assurance Framework (PAF) – 288/11

MINUTES

- 22.1 ELEXON asked the Panel to note how assurance activity and performance has changed over the 10 years since a risk based assurance regime was introduced.
- 22.2 The Chairman queried whether ELEXON observed anything that was not being included in the PAF review. ELEXON noted that it did not identify any gaps.
- 22.3 A Panel Member commented that it was an interesting paper which highlighted that it was a question that could not be answered easily. Further, it appeared that the PAF review was heading in the right direction. However the Panel Member noted that the arrangements are based on a multi-lateral contract between Parties and it depends how much risk Parties want to take between themselves to manage these arrangements. Another Panel Member observed that it is not just the risk that Parties are willing to take; Parties are driven by the Applicable BSC Objectives. The Panel Member also highlighted that customers should receive timely and accurate bills and these are dependent on accuracy in Settlement.
- 22.4 A Panel Member commented that the issue in electricity that is not evident in the gas market is the quantity of schemes that are outside electricity trading but are implemented through electricity e.g. FITS, Capacity Market etc. The Chairman highlighted [P330 'Allowing ELEXON to tender for the Uniform Network Code Gas Performance Assurance Framework Administrator \(PAFA\) role'](#), which was approved as it was believed that ELEXON had significant experience and understanding of performance assurance techniques in the energy industry, and had transferable skills and knowledge that potentially meet the criteria for the appointment of the PAFA. A Panel Member noted that the gas market is fundamentally different in relation to PAF techniques as reporting is largely anonymised and Parties are not held accountable for their performance. Additionally, there are no Error Failure Resolution (EFR) plans or an external £3million cost for auditing.
- 22.5 A Panel Member queried whether there is a crossover of greater effort to get things more accurate e.g. whether we should be spending £10million rather than £3million. ELEXON advised that this is one of the objectives of the PAF review to get a better understanding of what the risk is, and how much risk and error we are willing to tolerate; our risk appetite. From April 2019, ELEXON noted that it has target impact values which it will be reviewing with the PAB periodically throughout the year to see if it is heading in the right direction; these have not been so visible before.
- 22.6 A Panel Member noted that as PAB executes an element of the BSC Panel's governance role directly (in contrast to the TDC, SVA etc), it was important that the Panel itself was assured that it was being run in a manner that the Panel wanted it to – in parallel to the structure of the PAF. They recognised that the membership rules of the PAB potentially made this difficult for the PAB Chair and asked that this was also included in the discussion agreed under the PAB Report.
- 22.7 The BSC Panel:
- a) **NOTED** the summary of assurance activity and performance over the 10 years of a risk-based PAF.

23. Ofgem/BEIS Codes Review – 288/17

- 23.1 ELEXON [presented](#) the Panel with the context to the Ofgem/Department for Business, Energy and Industrial Strategy (BEIS) Code Review Project.
- 23.2 A Panel Member commented that they are supportive of code consolidation but noted that in the past, there had been more of a vertical than a horizontal approach taken. In the efficiencies of code change, they therefore queried what led to the proposal that BSC and Uniform Network Code (UNC) should come together. ELEXON advised that it is trying to get synergies and cost savings to bring fuels together. One of the ways it highlighted at the BEIS/Ofgem workshops in February 2019 is the potential for the benefit out of Credit Cover. ELEXON also noted that it was trying to take the lead from the dual fuel Retail Energy Code (REC).

MINUTES

- 23.3 A Panel Member commented that they saw the logic in putting gas and electricity codes together but did not believe this would work because of the various monopolies who, for example, have different issues and access rights. They believed that for efficiency purposes and 'quick wins', the BSC, Grid Code and Connection Use of System Code (CUSC) should be brought together. Further, having an identical number of alternates and Applicable Objectives across all the codes would be helpful.
- 23.4 A Panel Member suggested that it might be useful to add on the mapping for new entrants who are getting frustrated by artificial barriers. They recognised that electric vehicles (EVs) is a good example of how this frustration may increase. Another Panel Member commented that a number of complaints appear to be in relation to innovation and how to anticipate change. They suggested that [P362 'Introducing BSC arrangements to facilitate an electricity market sandbox'](#) would be a good practical example to use.
- 23.5 MB advised that he had spoken to a number of Parties who had advised that some smaller parties did not have the resource to send a representative to the BEIS/Ofgem workshops. However these parties had also advised that they did not have an appetite to get involved until changes had moved from 'maybe' to 'definitely happening'. MB was concerned that by the time the review has moved on from 'maybe', frameworks would have already begun to take shape. However, ELEXON will continue to engage with parties as best it can but has sympathy with that view.
- 23.6 A Panel Member commented that service levels vary across codes. They noted that Ofgem does not always appear to recognise the powers that it does have; Ofgem has the power to raise changes so should do so if these are needed.
- 23.7 The BSC Panel:
- a) **NOTED** the Code Review process and the ELEXON proposals.

24. ELEXON Customer Survey Results 2018 – Verbal

- 24.1 Jon Wilkins (JWil) from ResearchCraft [presented](#) the results of ELEXON's Customer Survey for 2018.
- 24.2 A Panel Member commented that the results are interesting and useful. They expressed the view that ResearchCraft was more than likely capturing the views of more junior members of its organisation who would have been expressing personal views rather than the overall view of the company. JWil advised that it varies from year to year but that a fresh sample is provided each year.
- 24.3 In relation to General Data Protection Regulation (GDPR), a Panel Member queried how ELEXON stores names, addresses, phone numbers etc. of its customers to pass on to ResearchCraft as they were unsure that they had been engaged in that process. ELEXON agreed to take this away and report back at the 11 April 2019 Panel meeting.

ACTION 288/05

- 24.4 In relation to proactive communications, a Panel Member queried whether any examples were given as ELEXON has made a conscious effort to improve its website and webinars. JWil noted that this was issue was more in relation to interpersonal communication for example in the context of OSMs or personal interactions with ELEXON staff.
- 24.5 ELEXON also advised that in relation to next steps, it is going to review the responses in further detail and identify areas for improvement. ELEXON is also going to look at the survey as a whole, in particular the questions asked as the same questions had been asked for a number of years. This does not reflect the change to the market or its customer base.

25. Any other Business

MINUTES

- 25.1 A Panel Member observed that on 13 March 2019, there were a number of periods of zero prices when it was re-priced with APX so they wanted to confirm whether this was genuinely correct or whether there was an error. MB commented that no error had been flagged to them but agreed for ELEXON to take this action away.

ACTION 288/06

26. Next meeting

- 26.1 The next meeting of the BSC Panel will be held at the offices of ELEXON Ltd, 350 Euston Road, London NW1 3AW on Thursday 11 April 2019.