**Public** 

**BSC Panel 288** 

14 March 2019



**Public** 

# **Change Report and Progress of Modification Proposals**

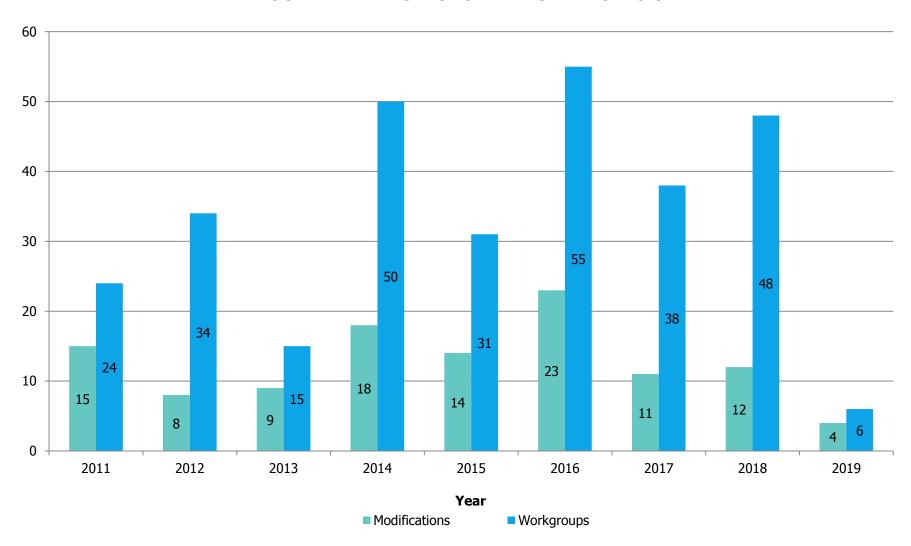
288/03

14 March 2019 Lawrence Jones



## **BSC Modifications raised by year and Workgroups held**

#### BSC Modifications raised by year and Workgroups (excluding Issue groups) held





## **BSC Modifications overview**

Initial Written Assessment	P382, P383, P384
Assessment Procedure	P332, P363, P364, P366, P371, P372, P374, P375, P376, P379
Report Phase	P380, P381
Urgent	
With Authority	P361, P377, P370
Authority Determined	P373, P378
Self-Gov. Determined	-
Fast Track Determined	-
Withdrawn	-
Open Issues	Issue 69, Issue 72, Issue 73, Issue 74, Issue 75, Issue 76
	FLEVON

## **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			
P371										AR	DMR	
P372							AR	DMR				
P374		IWA						AR	DMR			
P375			IWA							AR	DMR	
P376			IWA								AR	DMR
P379				IWA				Interim				AR
P380					IWA	DMR						
P381					IWA	DMR						
P382						IWA	DMR					
P383						IWA					AR	DMR
P384						IWA	DMR					

## **Modification Update: P297 & P373**

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

- P373 'Reversal of P297' interdependent with P297
- Ofgem approved P373 on 20 February 2019, for implementation on 27 February 2019 (+5WDs)
- P373 immediately and fully reversed P297
- Working with ESO on new Modifications



## **Modification Update: P374 (1 of 2)**

'Aligning the BSC with the EB GL change process and derogation approach'

## **Request:**

We are seeking Panel's/suitable alternate input in the P374 Assessment Procedure

## **Quoracy:**

- Currently 4 Workgroup members (inc. Proposer)
- Unable to find additional representatives despite direct communications with market participants
- Workgroup two on 12 March cancelled due to quoracy
  - Workgroup one on 20 February was not quorate, therefore we need to ensure quoracy moving forwards to enable at least 5 members to meet the 50% attendance required for voting rights



## **Modification Update: P374 (2 of 2)**

## **Workgroup Discussions:**

- First Workgroup meeting:
  - P374 to be used to provide clarity, rather than define processes
  - Differing views on EBGL Article 62 (Derogations) in relation to the BSC Sandbox
- Second Workgroup meeting:
  - Agree how to highlight provisions of the BSC that are mapped to the EBGL
  - Present an Alternative solution to the Workgroup in regards to Article 62 and the BSC Sandbox



## **Potential new Modifications**

## **Panel elections**

- The current BSC Panel Elections process should be amended to address the following points:
  - Allow nominations and voting only allowed via fax/post, should also be via email
  - -Timing of the BSC Panel Elections process
  - Second voting round definitions are inconsistent (B-2 3.4.1 (c) & (d))
  - -Third voting round intention may not be reflected in the wording (B-2 3.5.1)

## **Rectification of legal text conflicts**

- P369 replaces TC with NETSO & P344 introduced new references to TC
- P372 removes reporting requirements from Section V & P384 seeks to amend
   Section V reporting requirements



## **Recommendations**

We invite the Panel to:

- a) **AGREE** that ELEXON draft the potential new Modifications and invite the Panel to raise them at subsequent Panel meetings; and
- **b) NOTE** the contents of the March Change Report.



**Public** 

# P382 'No-deal Brexit'

288/04

14 March 2019 Chris Wood



## **P382: Background**

- The United Kingdom (UK) is due to leave the European Union (EU) at 2300 on 29
   March 2019 (exit day)
- The UK and EU are yet to agree their relationship after exit-day this is the no-deal scenario
- The European Union Withdrawal Act (2018) means that EU law will be retained in UK law after exit day
- The Withdrawal Act allows the BSC to remain operable but could be ambiguous or confusing for users not familiar with Brexit related legislation
- The Statutory Instruments (SIs) have now been made (N.B. change from IWA)



## P382: Why raise?

- The Withdrawal Act also allows Ministers to make SIs to not retain specific parts of EU law
  - This can refer to whole regulations or specific articles within a regulation
- BEIS have laid five SIs that will affect the Electricity market
  - Two SIs will impact the BSC
- In addition, one SI from HM Treasury will also affect the BSC



## **P382: Issue and Proposed solution**

#### Issue

-The BSC will remain operable in the event of leaving the EU without a deal but may be ambiguous if not updated to reflect changes cause by no-deal SIs

## Proposed solution

- Amend the BSC to reflect changes caused by the no-deal SIs to remove any potential ambiguity for users not familiar with Brexit legislation
- We will keep parts of the BSC relating to:
  - Trans European Replacement Reserve Exchange (TERRE);
  - Capacity Allocation and Congestion Management (CACM); and
  - Transparency

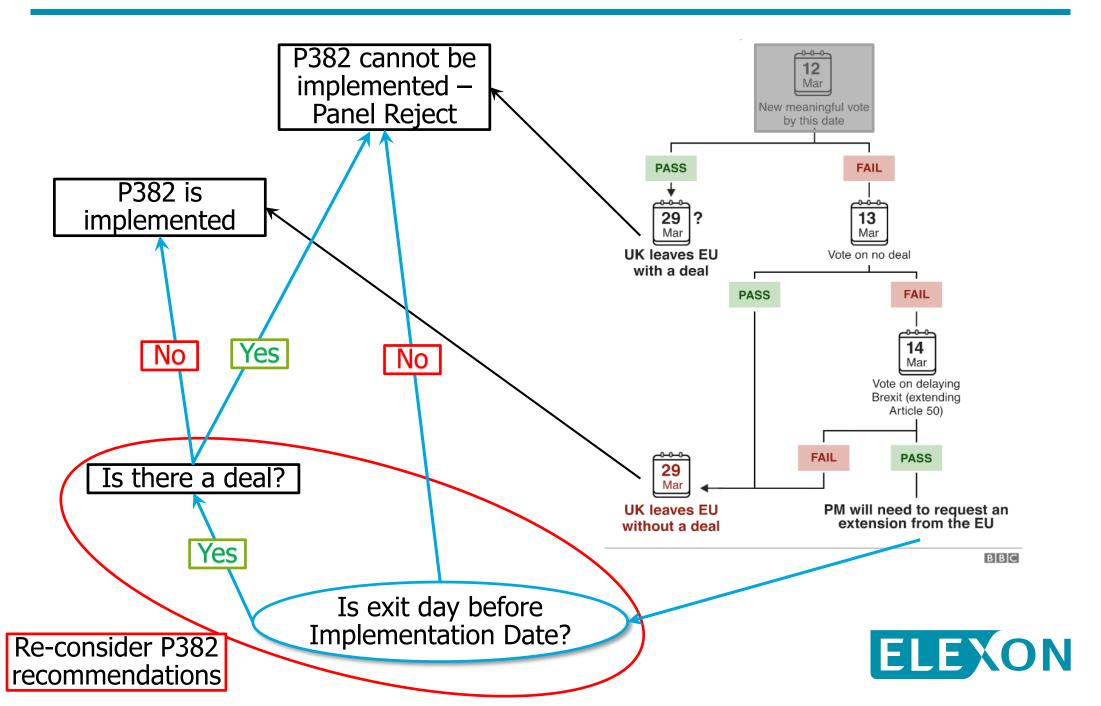


## P382: Areas to consider/note

- If an agreement is reached between now and exit day, P382 has no legal basis for implementation
- The BSC requires a named Implementation Date
  - If exit day goes beyond the proposed implementation date, P382 has no legal basis for implementation
- Expected licence changes will not impact the BSC but haven't been published
  - -Will likely come into effect after Implementation Date 56 Calendar Day standstill
- Balancing Mechanism Reporting Service (BMRS) as a 'reporting service'



## **P382: Implementation approach**



## **P382: Impacts and costs**

- Nil impacts beyond Business as Usual
- Cost to implement is c.£840. This is to implement the changes to:
  - BSC Section F
  - -BSC Section N
  - BSC Section Q
  - BSC Section V
  - -BSC Section X: Annex X-1
- No impact on Significant Code Reviews (await Authority determination)

## P382: Proposers views against BSC Objectives

- Positive for BSC Applicable objectives:
  - a) Confusion in the BSC means that NGESO is not discharging Section C2 of their licence
  - d) Ambiguity in the BSC is inefficient
  - e) Will still be required to comply with the Electricity Regulation.
    - Electricity Regulation will remain as part of UK Law but some of it will be amended
    - If P382 is implemented after exit day, we will still be required to comply with the amended Electricity Regulation
    - Amending the BSC to reflect changes caused by no-deal Brexit will ensure the BSC remains compliant with the Electricity Regulation
- Neutral on other Objectives

## **P382: Proposers views on Self-Governance**

- Because of the Withdrawal Bill, Settlement operations will not be affected. Therefore there will be no impact on:
  - Market Participants or consumers;
  - Competition;
  - How the Total System is operated;
  - Sustainable development;
  - Safety or security of Supply; or
  - The management of market or network emergencies.
- P382 will have no effect on BSC governance and will not discriminate between different classes of Parties in any way
- Cross-code continuity

## **P382: Recommendations**

#### We invite the Panel to:

- a) AGREE that P382 progresses directly to the Report Phase;
- **b) AGREE** that P382:
  - DOES better facilitate Applicable BSC Objective (a);
  - **ii. DOES** better facilitate Applicable BSC Objective (d); and
  - iii. DOES better facilitate Applicable BSC Objective (e);
- c) AGREE an initial recommendation that P382 should be approved;
- **d) AGREE** an initial Implementation Date of 7 May 2019, the day after the closure of the Self-Governance appeals window;



## **P382: Recommendations**

We invite the Panel to:

- e) AGREE the draft legal text;
- f) **AGREE** an initial view that P382 should be treated as a Self-Governance Modification; and
- **9) NOTE** 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.



**Public** 

P383 'Enhanced reporting of demand data to the NETSO to facilitate CUSC Modifications CMP280 and CMP281'

288/05

14 March 2019 Simon Lord & Danielle Pettitt



## P383 Enhanced reporting of demand data to the NETSO to facilitate CUSC Modifications CMP280 and CMP281

#### **Background**

- CUSC modification CMP280 and CMP281 were raised in 2017 looking to relieve intermediate consumption of charges related to demand residual, and BSUoS principally for CVA storage facilities (transmission connected storage).
- Following extensive debate by the group the option of including SVA storage facilities with in the scope of the modification has been considered and developed by the group. This is not without its complexity as the contractual routes for SVA storage facility is via its suppler and typically SVA storage facilities are not party of the CUSC.

#### **Defect**

- There are two changes required in the BSC to support CUSC Modifications:
  - Aggregation of storage facilities' metered data for network charging purposes; and
  - Provision of assurance for these non- Settlement processes.

## **Proposed solution**

#### Why Change

• This Modification would primarily enable the BSC Panel to provide clarity on how Suppliers, Half Hourly Data Aggregators (HHDAs) and the Supplier Volume Allocation Agent (SVAA) participate in the aggregation and reporting of specific metering systems' metered data for network charging processes, and BSCCo to perform assurance activities in relation to the aggregation of storage facilities' Metering Systems' metered data.

#### **Proposed solution**

- A modification of the BSC and a certain number of its Code Subsidiary Documents;
   and
- Establish appropriate assurance measures.

## **BSC Applicable Objectives**

#### **Objective (a):**

- P383 proposes to put in place processes that will collect, aggregate and report metered volumes to the Transmission Company; and
- By building on best practice and making best use of existing and forthcoming centralised BSC processes and Systems, this solution will enable the efficient discharge of the Transmission Company's license obligations.

## **Objective (c):**

- P383 is necessary to support the implementation of the CMP280 WACM and CMP281; and
- P383 is essential to promoting effective competition in the generation of electricity.

#### **Objective (d):**

 P383 seeks to build on existing processes and make use of forthcoming processes, systems and interfaces.

## **P383: Issue and Proposed solution**

#### **Issue**

- The Balancing and Settlement Code (BSC) does not set out processes for:
  - Aggregation of specific storage facilities' metered data for network charging purposes; and
  - Provision of assurance for these non-Settlement processes

## **Proposed solution**

- Modify the BSC to describe processes that enable Imports from Half Hourly (HH)
   Metering Systems for specific Supplier Volume Allocation (SVA) registered storage facilities to be aggregated and reported to the Transmission Company; and
- Enable the BSC Panel and BSCCo to establish appropriate assurance measures



## P383: Areas to consider

- Based on the solutions for EMR reporting and P344, are there specific lessons or changes that should be incorporated into this solution?
- Whether this solution clearly sets out consistent provisions that will effectively support the operation of CMP280 WACM and/or CMP281?
- Whether the approach to assurance is appropriate and whether there are any particular assurance measures that should be specified in the BSC or CSDs or if not specified in the BSC or CSDs that the Panel should consider adopting?



## **P383: Proposed Progression**

## **Progression Plan**

- Initial Written Assessment 14 March 2019
- First Workgroup meeting W/B 22 April 2019
- Assessment Procedure consultation (15 WDs) 03 June 21 June 2019
- Second Workgroup meeting W/B 01 July 2019
- Present Assessment Report to Panel 08 August 2019
- Report Phase Consultation (10 WDs) 13 August 27 August 2019
- Draft Modification Report 12 September 2019



## **P383: Proposed Progression**

## **Workgroup membership**

- TNUoS and BSUoS charging arrangements;
- BSC Settlement data and reporting; and
- BSC Settlement calculations and processes

#### **Self-Governance**

- This Modification should **not** be progressed as Self-Governance
  - it materially impacts criterion (ii) (iii) and (iv)

## **Significant Code Review**

- P383 does not have any links with any Significant Code Reviews
  - -this was confirmed by the Authority on 11 March 2019



## **P383: Recommendations**

We invite the Panel to

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



**Public** 

P384 'The publication of European Electricity Balancing Guideline (EB GL) balancing data by BMRS'

288/06

14 March 2019 Jon Wisdom, Grahame Neale and Faysal Mahad



## The publication of European Electricity Balancing Guideline (EB GL) balancing data by BMRS

Jon Wisdom

March 2019

## The defect and its effect

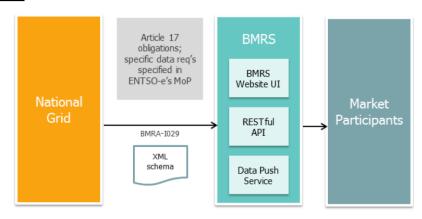
- Elexon has an obligation to meet Electricity Balancing Guideline (EBGL) Articles 12.3 and 12.5 whilst NGESO has an obligation to meet European Transparency Regulation (ETR) Article 17.
  - EBGL Article 12.3 specifies balancing data to be published current met by Balancing Mechanism Reporting Service (BMRS)
  - EBGL Article 12.5 requires the data Article 12.3 to be published on Electricity Market Fundamental Information Platform (EMFIP) by 18<sup>th</sup> December 2019
  - ETR Article 17 requires publishing of balancing data this is currently done by BMRS as a third party data provider
- Once Article 12.5 comes in to force (on 18<sup>th</sup> December 2019), more detailed obligations will be captured in EBGL Article 12.3 and the equivalent obligations will be removed from ETR Article 17. The BSC does not currently align with this change in requirements.
- The BSC (and therefore NGESO and Elexon) will be non-compliant with the EB GL Article 12.5 and ETR Article 17 unless changes are made, specifically BSC currently does not, but will be required to:
  - 1. Send EB GL Article 12.3 balancing information to the European data platform (EMFIP);
  - 2. Amend the information reported on BMRS to meet ETR Article 17; and
  - 3. Pull data from the European data platform (EMFIP) to publish the



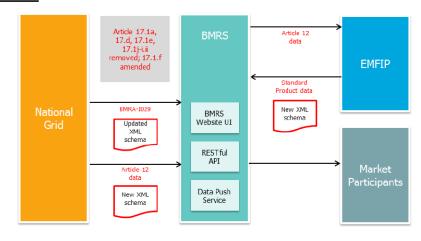
## The proposed solution and benefits

- Replace the wording in the BSC so that it aligns with the EBGL and ETR requirements;
  - Replace ETR Article 17 requirements with EBGL Article 12 in BSC Section V (Reporting)
  - Revise obligations on NGESO to reflect the changes in Section Q (i.e. NGESO to provide EBGL Article 12 data and stop providing ETR Article 17 data)
- Elexon to procure ENTSO-E Application Programming Interface (API) to obtain ETR data from EMFIP and publish on BMRS
- This has the benefits of:
  - 1. Keeping the ESO and Elexon compliant with ETR and EBGL.,
  - 2. Aligning BSC with the EBGL requirements

#### As-is



#### To-be





## **BSC** Objectives

- This Modification would better facilitate Applicable BSC Objectives (c) and (e) compared with the existing baseline.
  - BSC Objective (c): the development of additional BMRS reporting and greater transparency. This
    additional availability of data will foster greater competition as it provides accurate and timely data;
    allowing for greater decision making and supporting new and innovative market strategies. Also,
    improving transparency and equal access to data provides a level playing field for all current and future
    Market Participants.
  - BSC Objective (e): will ensure the BSCCo and ESO comply with Article 12 of the European Electricity Balancing Guideline (EB GL) and the ETR provisions of the submission and publishing of system balancing related information.

## **P384: Proposed changes to the BSC**

Will ensure that the BSC is brought into line with the EB GL and ETR data publication requirements on the publication of balancing information by :

## Adding:

- the new EB GL Article 12 requirements to Section V 'Reporting';
- TSO obligations to provide EB GL Article 12 data to BSC Section Q Balancing Services Activities'; and
- Obligation to procure EU Standard Product ETR data from the EMFIP platform and publish on BMRS.

## Removing:

- a subset of ENTSO-E Manual of Procedures reporting requirements in regards to ETR Article 17 from Section V; and
- TSO obligations to provide the removed ENTSO-E Manual of Procedures reporting requirements, relating to ETR Article 17, from Section Q 'Balancing Services Activities'



#### **P384: Implementation Approach and Costs**

#### **Implementation approach**

A two phase implementation approach is proposed to meet the compliance deadline:

- Phase 1: a simple user interface providing data to market participants, to ensure compliance by 18 December 2019; and
- Phase 2: improved user experience and presentation of the data delivered under phase 1. phase 2 is proposed to be implemented on 27 February 2020

#### Cost

- Phase 1: 16 weeks lead time and ~£150k
- Phase 2: 24 weeks lead time and ~£250k
- Additionally we expect 2 days effort to implement the document changes, equating to £480.



#### **P384: Proposed Progression and Governance**

- Treated as a Self-Governance Modification
- Progresses directly to the Report Phase

#### **Progression Plan**

- Report Phase Consultation (10 WDs) 19 March 2019 –1 April 2019
- Draft Modification Report presented to Panel 11 April 2019
- Final Modification Report published 16 April 2019
- Self-Governance Appeal Window (15 WDs) 12 April 2019 6 May 2019



#### P384: Recommendations (1/2)

We invite the Panel to

- a) **AGREE** that P384 progresses directly to the Report Phase;
- **b) AGREE** that P384:
  - **DOES** better facilitate Applicable BSC Objective (c); and
  - **DOES** better facilitate Applicable BSC Objective (e);
- c) AGREE an initial recommendation that P384 should be approved
- d) AGREE an initial P384 Implementation Date of 18 December 2019;
- AGREE the draft legal text;



#### P384: Recommendations (2/2)

#### We invite the Panel to:

- f) **AGREE** an initial view that P384 should be treated as a Self-Governance Modification; and
- g) **NOTE** that phase 2 will be delivered on 27 February 2020 (as part of the February 2020 BSC Release); and
- h) **NOTE** that ELEXON will issue the P384 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.



P363 'Simplifying BM Unit Registration' & P364 'Clarifying requirements for registering BM Units'

288/07

14 March 2019 Chris Wood



#### P363 and P364: Background

- P363 is concerned with how Plant and Apparatus is configured at registration
- P364 is concerned with how BM Units are registered by Parties
- The registration for non-standard BM Unit configurations is 60 Working Days (WDs) compared to 30 WDs for standard configurations
- The number of non-standard BM Units applications has grown in recent years, with the number more than doubling since 2014
  - -This growth is predicted to continue, mainly due to the use of new technology
- Changes to configuration are not always readily apparent to ELEXON
- ELEXON and the Imbalance Settlement Group (ISG) spend a lot of time on nonstandard BM Units
- ELEXON conducted a review of Metering Dispensations and non-standard BM Units,
   reporting its findings and recommendations to the Panel at its March 2017 Meeting

#### P363/4: Proposed Solution

- Expand BSC Section K part 3 criteria for those BM Unit configurations that are deemed to meet the conditions to be registered as a Standard BM Unit
- Outline new criteria for what is considered a Standard BM Unit
- BM Units must either meet the configuration criteria or align with the new list of registration criteria
- Remove need to apply for a Non-Standard BM Unit where the configuration is Standard but there is more than one Party involved

#### P363/4: Impacts and costs

- Central implementation costs of £2,300 consisting of:
  - -Seven WDs effort to implement new internal processes and documents; and
  - Two WDs effort to implement document changes to the BSC and its Code Subsidiary Documents
  - No impact on Salesforce
  - -Savings of £13,400 to £20,100 per year
- Industry costs:
  - None expected
- Impacts:
  - BSC Section K
  - -BSCP15
  - -BSCP68
  - No negative impact on industry; positive impacts expected

#### P363/4: Implementation approach

- **27 June 2019** (Jun 19 Release)
- First available standard Implementation Date
- Industry welcome changes so no sense in delaying

#### P363/4: Workgroup views

- Single solution developed after first Workgroup meeting
- Considered only a principle-based approach wasn't entirely workable
- Need both configurations and criteria
  - Almost all known and expected configurations will now be Standard BM Units
  - Those expected to remain non-Standard are rarely seen
- Auxiliary Supply to be at Panel's discretion initial recommendation is 415kV
- Maximum aggregation recommended to align with Grid Code's 'Small Power Station'
- Designed so as not to affect the NETSO no changes required
- P363 solution agreed in first Workgroup meeting, P364 solution would need more discussion
- Teleswitching better placed in K3.3 than K3.1
- Unanimously recommend Self-Governance as no material impacts
- Unanimously recommend proposed legal text and redline changes to BSC and BSCPs

#### P363/4: Amalgamation

BSC Section F paragraph 2.3 allows for amalgamation where:

"...the subject-matter of such Modification Proposals is sufficiently proximate to justify amalgamation on the grounds of efficiency and/or where such Modification Proposals are logically dependent on each other."

- Originally two separate issues and two separate solutions
- As the Assessment Phase progressed, the Proposer and Workgroup's developed solution remedied both issues presented under each individual Modification
- Now the solution is finalised, the Proposer and Workgroup can recommend with confidence that P363 and P364 should be amalgamated into a single Modification
- The single Modification will be P364, as the combined P363/4 solution more closely aligns with the originally proposed P364 solution
- The Proposer considered making the combined P363/4 solution the P364 solution and withdrawing P363
  - However, this would allow another Party to adopt P363, creating a risk of two similar
     Modifications overlapping

#### P363/4: Assessment Consultation responses (1 of 3)

Question	Yes	No	Neutral	Other
Should the BM Unit aggregation limit be based on Grid Code's definition of 'Small Power Station' or another amount?	4	0	0	2
Should the auxiliary/back-up limit be 415V based on precedence, 1kV based on a recognised definition of low voltage, or another amount?	3	0	2	1
Are there any other criteria that should be included in BSC Section K3.1.2?	0	2	4	0
Do you agree that the Teleswitch Groups caveat is better placed in K3.3 than K3.1.2?	0	0	6	0
Are there any other configurations of Plant and Apparatus that should be deemed to satisfy the requirements to be a BM Unit and be included in K3.1.4 that are not covered by the revised BSC Section K3.1.2 criteria?	0	4	2	0

### P363/4: Assessment Consultation responses (2 of 3)

Question	Yes	No	Neutral	Other
Do you agree that the single P363/4 solution will address the individual defects identified by P363 and P364 i.e. is a combined solution appropriate and does it work?	6	0	0	0
Do you agree that P363 and P364 should be amalgamated and P364 taken forward?	6	0	0	0
Do you agree with the Workgroup that the draft legal text in Attachment A delivers the intention of P363/4?	4	0	2	0
Do you agree with the Workgroup that the draft redlining in Attachments B and C delivers the intention of P363/4?	4	0	2	0
Do you agree that P363/4 meets the Self-Governance Criteria and so should be progressed as a Self-Governance Modification?	5	1	0	0

#### P363/4: Assessment Consultation responses (3 of 3)

Question	Yes	No	Neutral	Other
Do you agree that the two configurations proposed by P363 should be incorporated into K3.1.4 were P363 to be implemented as a stand-alone solution?	5	0	1	0
Do you agree that the P364 solution will make registration simpler were it to be implemented as a stand-alone solution?	4	1	1	0
Will the implementation of P363/4 impact your organisation?	5	1	0	0
Will your organisation incur any costs in implementing P363/4?	0	5	1	0
Do you agree with the proposed Implementation of P363/4?	6	0	0	0
Do you agree with the Workgroup's initial majority view that P363/4 does better facilitate the Applicable BSC Objectives than the current baseline and so should be approved?	6	0	0	0

#### P363/4: Workgroup views against BSC Objectives

- The Workgroup unanimously agreed that P363/4 will **positively** facilitate Applicable BSC Objectives:
  - Removes perceived differences between traditional Plant and Apparatus and non-traditional innovative Plant and Apparatus
  - d) Increases efficiency in the registration process and removes a lot of concern around whether the ISG will approve registration
- Unanimously believe the P363/4 is neutral against Applicable BSC Objectives (a), (b), (e), (f) and (g).

#### P363/4: Recommendations (1 of 2)

#### We invite the Panel to:

- AGREE that P363 and P364 be amalgamated as a single P364 Modification;
- **b) AGREE** that the P364 Proposed Modification:
  - DOES better facilitate Applicable BSC Objective (c); and
  - ii. **DOES** better facilitate Applicable BSC Objective (d);
- AGREE initially that P364 should be approved;
- **d) AGREE** an initial Implementation Date of:
  - 27 June 2019 as part of the June 2019 BSC Release;



#### P363/4: Recommendations (2 of 2)

We invite the Panel to:

- e) AGREE the draft legal text;
- **AGREE** an initial view that P364 should be treated as a Self-Governance Modification;
- g) AGREE that P364 is submitted to the Report Phase; and
- h) **NOTE** that ELEXON will issue the P364 Draft Modification Report (including the draft BSC legal text) for a 10 WD consultation and will present the results to the Panel at its meeting on 11 April 2019.



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

288/08

14 March 2019 Adam Musgrave



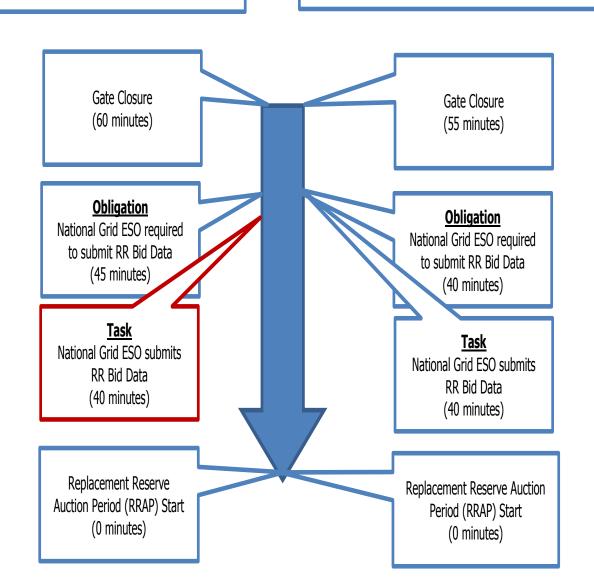
#### P380: Background

 The Replacement Reserve Implementation Framework (RRIF) was created as part of Project TERRE.

First 12 months of RR-Platform

Following first 12 months of RR-Platform

- 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.



#### **P380: Proposed Solution**

Replace the wording in BSC Section Q 'Balancing Services Activities', 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 NETSO shall send to the BMRA the Replacement Reserve Bid Data for each BM Unit for which it has received or determined such data."

#### P380: Panel's initial views

The BSC Panel initially recommended:

- 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);
- That P380 should be approved;
- An Implementation Date for P380 of 27 June 2019 as part of the scheduled June 2019 BSC release;
- The draft BSC legal text for the P380; and
- That P380 should be treated as a Self-Governance Modification



#### **P380: Report Phase Consultation responses**

#### **Respondent: National Grid ESO (NGESO)**

Question	Yes	No	Neutral	Other
Do you agree with the Panel's initial unanimous recommendation that P380 should be approved?	1	0	0	0
Do you agree with the Panel that the redlined changes to the BSC deliver the intention of P380?	1	0	0	0
Do you agree with the Panel's recommended Implementation Date?	1	0	0	0
Do you agree with the Panel's initial view that P380 should be treated as a Self-Governance Modification?	1	0	0	0
Do you have any further comments on P380?	0	1	0	0

#### **P380: Recommendations**

#### We invite the Panel to:

- **a) 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);
- **DETERMINE** (in the absence of any Authority direction) that P380 is a Self-Governance Modification Proposal;
- c) **APPROVE** Modification P380;
- d) **APPROVE** an Implementation Date of:
  - -27 June 2019 as part of the scheduled June 2019 BSC Release;
- e) **APPROVE** the draft legal text; and
- f) APPROVE the P380 Modification Report.



# P381 'Removal of Quarterly Reports'

Panel 288/09

14 March 2019 Faysal Mahad



#### **P381: Background**

#### **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

#### **P381: Panel's initial views**

The Panel unanimously initially agreed:

- That P381 should be treated as a Self-Governance Modification;
- That P381 better facilitates Applicable BSC Objective (d);
- That P381 should be approved;
- The draft BSC legal text for the P381;and
- An Implementation Date of 27 June 2019 as part of the June 2019 BSC Release.



#### **P381: Report Phase Consultation responses**

The Report Phase Consultation did not receive any responses

#### **P381: Recommendations**

#### We invite the Panel to:

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



# Minutes of meeting 287 and actions arising

14 March 2019 Victoria Moxham



# **Chairman's Report**

14 March 2019 Michael Gibbons



## **ELEXON Report**

288/01

14 March 2019 Nigel Perdue



## **Distribution Report**

14 March 2019 David Lane



## **National Grid Report**

14 March 2019 Jon Wisdom



## **Ofgem Report**

14 March 2019 Colin Down



# Panel Committee reports

288/01b-e

14 March 2019



# Risk based assurance and performance

288/11

14 March 2019 Beth Brown



## **Background**

Panel action:

How has assurance activity and performance has changed over the 10 years since a risk based assurance regime was introduced?

- Four types of metrics examined:
  - Risks and issues
  - Results and level of mitigating technique deployment
  - Costs
  - Wider landscape



#### What we know

- Central costs average £3m pa
- Number of assurance parties
- Opinion of BSC Auditor qualified or unqualified
- Key performance metrics "actual" data used in Settlement
- Changes to deployment of mitigating techniques
- Disputes upheld and Supplier Charges applied
- External change
- Risk register and operating plan as approved by the PAB

#### And what we don't...

- Incentivising effect of the PAF
- Quantification of most risks
- Risk appetite



# **Answering the question**

- Generally observable:
  - -2009/10 to 2014/15 many risk indicators improving and few new issues

Late Apts

Late Apts

WHH (99%)

WHH MTD

Supplier Charges

Charges

Charges

WAL

WAL

MAL

Disburden

Sample of the Apts

WHH exceptions

Disburden

Metal issues

WHH exceptions

 2014/15 onwards – number of risk areas worsening, new significant areas of noncompliance



- Root causes
- Market changes



# **Future risk management**

- PAF Review
- Deliverables to date:
  - Smart risks
  - New risk register, materiality quantified in £, new style operating plan with target impact to express risk appetite
- Coming soon
  - New risk reporting
  - Ongoing risk reviews
  - Assurance technique reviews
- PAF Review initiation recognised improvements required
- 2019 onwards recommendations being delivered
- More opportunities to measure and reflect



#### Recommendation

We invite the Panel to:

a) **NOTE** the summary of assurance activity and performance over the 10 years of a risk-based PAF.



# Trading Operations: BSC Operations Headline Report

288/02

14 March 2019



# **System Price Analysis Report**

ISG214/04

14 March 2019



# **ELEXON Customer Survey Results 2018**

Verbal

14 March 2019 Kate Norton & Jon Wilkins



# **Key background & themes**

- 571 customers were invited to complete a short annual, online/phone quantitative survey, with 75 responses completed, compared to 165 responses in 2017. Fieldwork was conducted in November/December rather than September as last year or June/July previously.
- The proximity to the festive period resulted in a notably lower response, but the profile of the sample in terms of company type, role and length of relationship with ELEXON was consistent with previous years.
- Overall the results indicate a period of steady performance, and striving for improvement.
- Quality and reliability of service remains the biggest priority for participants in an environment where many feel under pressure to keep up with the pace of change.
- Overall satisfaction and perceived value for money remain steady, but net recommendation
  has shown a strong recovery. Perceptions have improved most with larger energy companies and
  those working in regulatory affairs.
  - **Key positives** remain similar professional, knowledgeable, helpful, well organised, responsive
  - Main negatives raised (by a small minority from a very small sample set) a desire for better support/service and more forward thinking on how to deliver value



#### **Further themes**

- The sense that ELEXON is improving is the **highest in 7 years**, across BSC Parties, large and small, and especially newer parties, but not with supplier agents/others.
- Ratings for keeping costs down, quality of communication and facilitating industry debate have improved, and especially with large energy companies.
- Some express a desire for ELEXON to engage more, improve and review processes, communicate even more proactively and make greater use of technology.
- Feedback on the website, portal and webinars has improved (especially larger energy companies), with more now using webinars.
- Rating of the OSMs, the Performance Assurance Processes and the BSC Service Desk has dipped, especially with large energy companies and suppliers agents/others.
- The most valued ELEXON activities are its provision of expertise, industry support, guidance and being a critical friend. The Cross-code work plan and System Price Analysis Reports are the only services being valued less than previously.



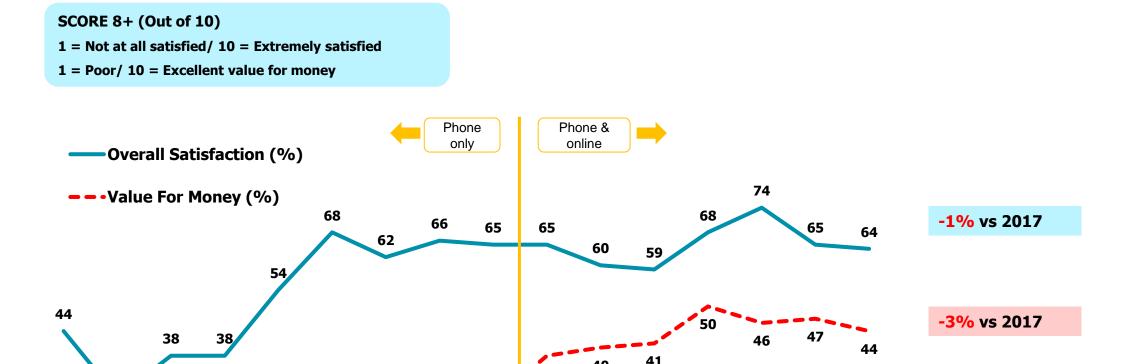
### Some guidance on interpretation

- Although ALL customers have been invited to participate in this survey, only a sub-sample of all customers actually complete it.
- Due to the small sample size, one or two less positive comments have had an impact on the results but have been reported for completeness.
- Some movement in results over time may therefore be purely due to sampling variance between years.
- At a **total sample** level, we would recommend treating movements of less than **+/-9%** with some caution unless they align with an expected outcome (e.g. enhancements to the website) as one or two not so positive comments has had an impact. When we look at sub-groups (e.g. larger energy companies) movements in results will need to be even bigger to be meaningful.

Sample group	Base size in 2018 sample	Sig. change YOY (80% confidence)	Sig. change YOY (95% confidence)
Total sample	75	+/- 9%	+/- 14%
Large energy companies	14	+/- 20%	+/- 28%
Other BSC Parties	36	+/- 13%	+/- 20%
Supplier Agents/Other	21	+/- 17%	+/- 24%
Ind.body/Gov't	4	Qualitative only	

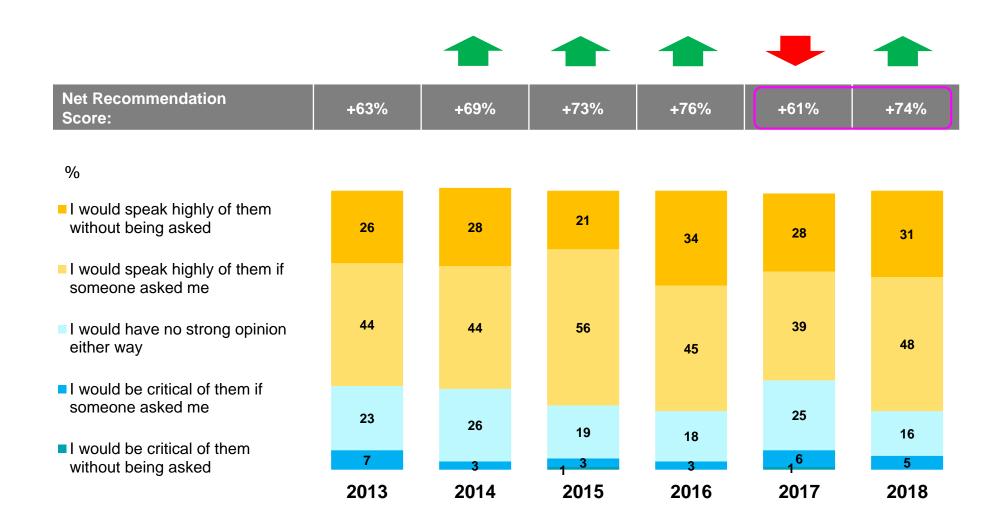


## **Overall satisfaction and value for money**



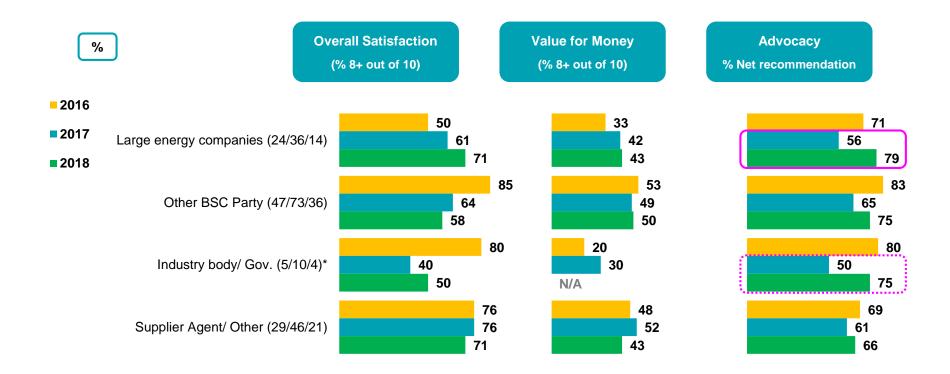
Overall satisfaction remains in line with 2017, but a further slight fall on value for money means it is down 6% on the peak in 2015.

## **Advocacy**



ELEXON's Net Recommendation score has recovered following the dip seen in 2017.

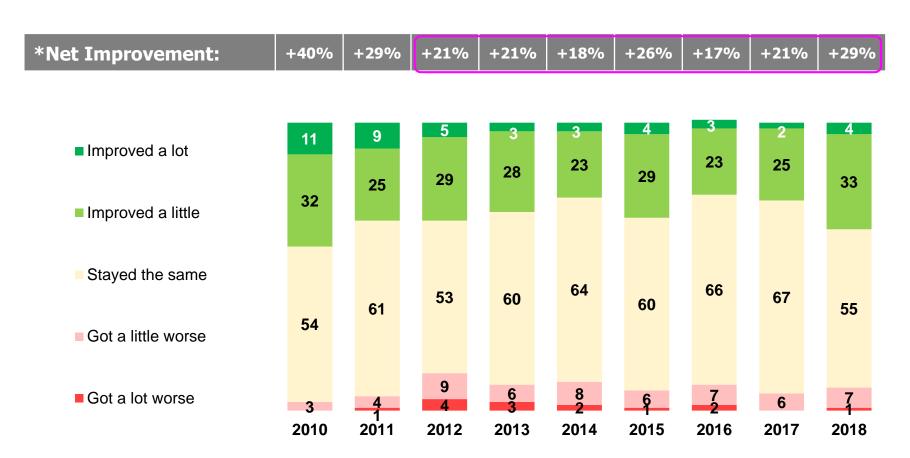
### **KPI** by customer type



Directionally, there are signs of improved ratings with the larger energy companies and industry bodies, but more mixed results with other parties & agents.

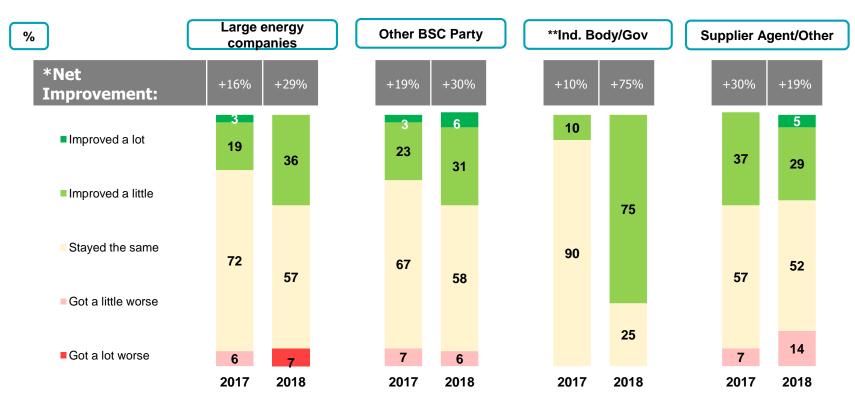
#### Whether ELEXON's service has improved over past 12 months

%



<sup>\*</sup>Net improvement = % improved minus % got worse – an indicator of the 'sense' that ELEXON is improving

### Whether ELEXON's service has improved over past 12 months



\*Net improvement = % improved minus % got worse - an indicator of the 'sense' that ELEXON is improving

The perceived net improvement has come more from parties and industry bodies than from supplier agents/others.

# **Areas for improvement – spontaneous feedback**

While 64% gave ELEXON a score of 8, 9, or 10 out of 10 for overall satisfaction 36% gave ELEXON a score of less than 8 out of 10.

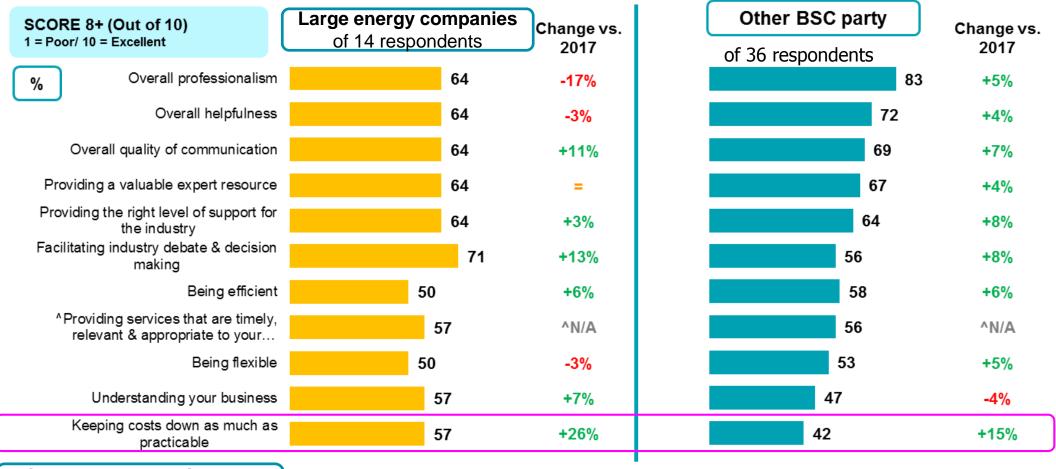
67% of those have spontaneous suggestions for improvements:



Almost 1 in 5 would like to see ELEXON review and improve its processes.

Base: Those rating ELEXON 1 to 7 out of 10 for overall satisfaction (27)

# **Detailed attribute ratings**

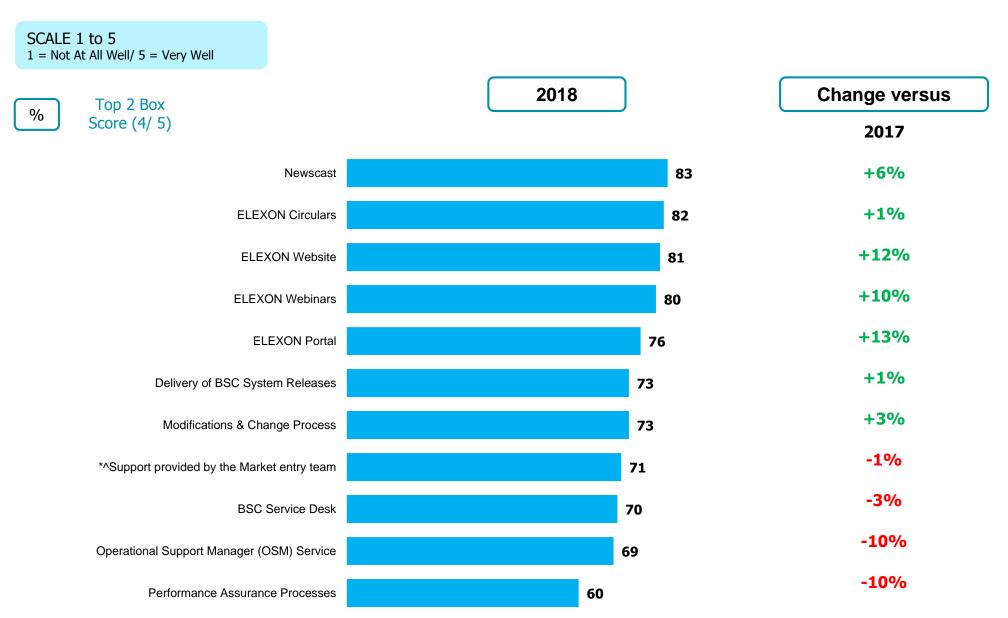


Supplier agents/others of 21 respondents

Declines of 13% or more for expert resource, professionalism, flexibility & efficiency

Although the larger energy companies are rating professionalism less well, most other aspects are rated higher by them and other BSC Parties.

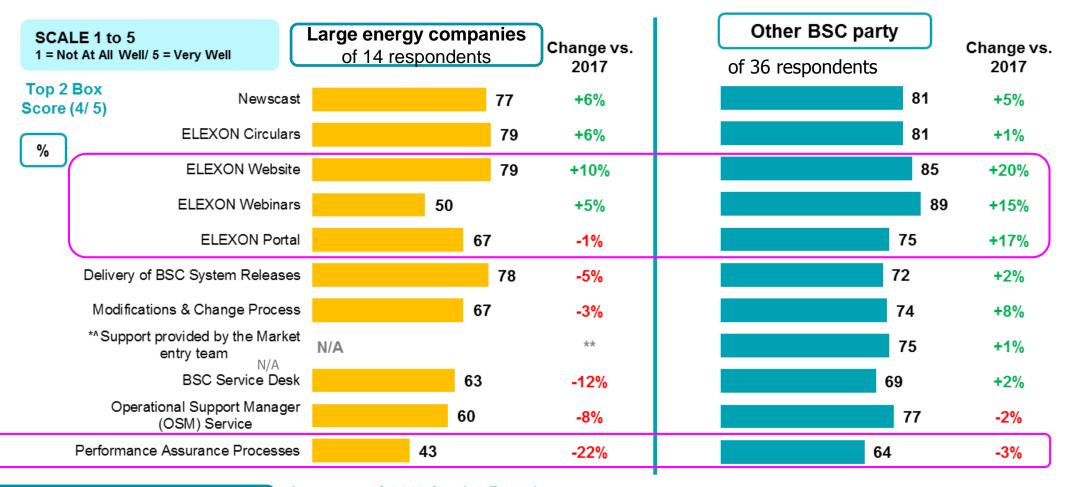
# **Overall rating of ELEXON service areas**



^attribute wording change for 2018

\* Caution: Low base size

# **Detailed attribute ratings**



Supplier agents/others of 21 respondents

Increase of 19% for the Portal

Declines of 11% or more for OSMs, Performance Assurance Processes, Market Entry & Circulars

Lower scores for Performance Assurance Processes, OSMs and the BSC service desk are coming more from larger energy companies than other BSC Parties.

#### **Next steps**

Overall the results indicate a period of steady performance, and striving for improvement. 92% do not think ELEXON is getting worse, and 'net improvement' is the best in 7 years. There are still some opportunities to strengthen quality of service:

All participant types



There is some appetite for:

- Greater use of technology (e.g. for meetings)
- More proactive communication

Large energy companies



Need to address less positive feedback from a small number regarding:

- OSMs
- Performance Assurance
- BSC Service Desk

Newer/smaller parties



There is generally a desire for ELEXON to engage more with them directly

- Understand their businesses/issues/challenges
- More responsiveness (from market entry support)

Supplier agents/others



In general, this group are less positive, but most obviously in terms of:

- Expert resource, professionalism, flexibility
- OSMs and direct dealings with ELEXON staff
- Performance Assurance Processes and market entry



# Appointment of Panel Committee Chairs by the BSC Panel

288/10

14 March 2019 Claire Kerr



# **Chairman proposals**

- Full responsibility of Panel Committee Chairs will be moved from ELEXON's Design and Delivery department to ELEXON's BSC Operations department, with effect from 1 April 2019
  - Resulting in a need to appoint new Imbalance Settlement Group (ISG) and Supplier
     Volume Allocation Group (SVG) chairs
- ISG Chairman
  - Jeremy Caplin is stepping down as chairman of the ISG with effect from 31 March 2019
  - We propose that Iain Nicoll, Metering Team Leader in ELEXON's Settlement
     Operations team becomes the ISG Chairman from 1 April 2019
- SVG Chairman
  - Kathryn Coffin is stepping down as chairman of the SVG with effect from 31 March 2019
  - We propose that Victoria Moxham, manager of ELEXON's Disputes, Compliance and Committee Support team becomes the SVG Chairman from 1 April 2019



#### **Recommendations**

We invite the Panel to:

- a) **APPROVE** the appointment of Iain Nicoll as the new permanent chairman of the ISG, with effect from 1 April 2019; and
- **b) APPROVE** the appointment of Victoria Moxham as the new permanent chairman of the SVG, with effect from 1 April 2019.



# **Energy Code Review – Update and Next Steps**

288/17

Angela Love/Alina Bakhareva 14 March 2019



# **Agenda**

- Energy Codes Review scope of the Review and progress up to date
   ELEXON's engagement BEIS/Ofgem
- **3 ELEXON's proposals**
- 4 Next steps



### **Agenda**

1

#### **Energy Codes Review – scope of the Review and progress to date**

- 1. Ofgem/BEIS the scope of the review (as of Feb 2019)
- Ofgem/BEIS potential reform packages "Spectrum of options for reform"
- 3. Ofgem/BEIS Proposed success criteria
- 4. Progress to date and known next steps







# otgem Energy Codes Review

# The scope of the review (as of Feb 2019)

- **Purpose of Codes:** We will consider whether a code system is still appropriate for all the areas of rules in the energy system, and whether there is scope to handle some elements of codes differently.
- **Content of Codes:** We will seek stakeholders' views on whether the content of codes is up-to-date, relevant and applicable, and whether and how it may be improved. We will explore the role that digital technology may play in this regard.
- **Governance:** We will assess the effectiveness of the current industry governance arrangements and any functions, institutions or roles that are missing. In light of that, we will consider alternative models of governance and whether these may be more effective than the status quo.
- **Process of providing strategic direction and making changes:** A key aim of the review is to develop a regulatory framework capable of delivering strategic, whole-system solutions in the interests of consumers. This means considering how we can make any new arrangements more forward-looking, rather than reactive. We will consider how this interacts with the governance of codes and the appropriate functions, roles, and responsibilities that support a new regulatory framework.
- **Transition**: We will give careful consideration to the process of moving from our current code environment to the desired end state and the most appropriate way to implement the proposed changes. We will need to develop a transition model which will ensure smooth running of markets, and minimise any transition costs.

More information:

BEIS/Ofgem Terms of Reference for the Energy Codes Review, November 2018

https://www.ofgem.gov.uk/publications-and-updates/energy-codes-review

https://www.ofgem.gov.uk/system/files/docs/2018/12/tor revised final 301118.pdf

https://www.gov.uk/government/publications/energy-network-codes-review





# ofgem Energy Codes Review

# Potential reform packages – "Spectrum of options for reform"

Process improvements to the status quo

**Existing structures**, responsibilities/ accountabilities are maintained. No change to the current model.

Substantial reform of the codes system

These options involve a significant degree of structural change, accountabilities, powers, etc. Includes significant change to the current model

Taking a different approach – moving away from codes

These are the most radical solutions, resulting in **fundamental structural change**. Includes fundamental change to the current model.

Options involve significant changes to powers and responsibilities.

New bodies are introduced into the governance framework.





# **Energy Codes Review**

#### Process improvements to the status quo

# Standardise/improve change processes?

- number of alternative proposals;
- 'time-out' arrangements for consideration of modifications.

# Improve/restructure code modification panels?

- introduce a 'funded seat' to enable smaller parties' representation;
- clarify responsibility for/consistency of legal advice/text.

# Substantial reform of the codes system

#### Consolidate the 11 codes into 3? 1?

- Wholesale/Retail/Networks?
- Take content out of codes e.g. network charging

# Replace Code Administrators with Code Managers (CMs), with significantly greater powers and responsibilities?

- Power to raise changes;
- Power to prioritise modifications;
- License CMs to ensure clarity of accountability and effective performance management;
- Include delivery functions?

# Separate code administration function from code management – tender as a shared service?

#### **Increase Ofgem powers?**

- beyond binary approve/veto (suggest amendments);
- to raise rule changes.

Give a **single body responsibility** and powers for Code Management?

# Taking a <u>different approach</u>– moving away from codes

#### Fundamental change to regulatory approach?

- Principle-based regulation (e.g. learning lessons from telecoms, food and other sectors);
- Risk-based approach (e.g. similar to financial sector, education (Ofsted)).

### Introduce Strategic Oversight Function such as:

- System Architect (Energy Catapult/IET)?
- Functions include those below, and also operational planning, investment planning
  - Energy Security Board (Australian model)?
- Composed of CMs, Ofgem, BEIS representatives and independent advisors;
- Responsible for implementation of the energy strategy (can take on SCRs); provides whole of system oversight for energy security and reliability to drive better outcomes for consumers.





# ofgem Energy Codes Review

# Proposed success criteria

Criteria	What it means		
1. Rules are clear and accessible	<ul> <li>The energy sector is, by its nature, complex. However, it should be easy for any market participant to:         <ul> <li>Understand which rules apply to them;</li> <li>Understand what the rules mean.</li> </ul> </li> </ul>		
2. Regulatory	Energy sector rules are important and complex, and change must be carefully considered.		
framework facilitates	• At the same time, the unprecedented pace of change in the industry requires a regulatory framework that is:		
timely change – both	o Forward-looking, informed by, and in line with wider industry/Government strategic direction;		
ad-hoc and systemic,	<ul> <li>Agile and responsive to change, not bogged down by opposing commercial interests of market</li> </ul>		
and enables	participants;		
innovation	<ul> <li>Streamlined and co-ordinated, to enable transition to a clean, smart, and consumer led energy system, in</li> </ul>		
	line with the Industrial and Clean Growth Strategies		
3. Impartial rule	The regulatory framework needs to accommodate:		
design and change	<ul> <li>A much larger, and growing number of market participants;</li> </ul>		
process	<ul> <li>An increasingly diverse mix of market participants, often without dedicated regulatory function resource to</li> </ul>		
	propose and take through rule change (e.g. non-traditional energy market participants - 'prosumers',		
	aggregators, EVs, local authorities, data companies etc.)		
4. Robust compliance	With more and more diverse market participants joining an extremely inter-dependent system, compliance		
monitoring and	becomes increasingly important.		
enforcement			





# ofgem Energy Codes Review

### Progress to date and known next steps



#### November 2018

Energy Codes Review launched, TOR published



#### 4 and 18 Feb 2019

Two workshops run by BEIS/Ofgem to discuss scope, appetite for change, and collect industry views on the proposed "spectrum of options"



#### **May - June 2019**

Consultation to be launched



#### **Summer 2019 - ? (Exact date not confirmed)**

Energy Strategy White Paper to be published

# **Agenda**

2

**ELEXON's engagement – BEIS/Ofgem** 



#### **ELEXON's engagement - BEIS/Ofgem**

The following slides provide details of ELEXON's high-level suggestions presented at the industry workshops on 4 and 18 February. The suggestions were built on ELEXON's position on consolidation and simplification developed in response to the CMA investigation findings, as well as continuous engagement with BEIS/Ofgem prior to the February workshops.

#### **Energy Codes Review timeline**

#### November 2018

Energy Codes Review launched, TOR published

#### 4 and 18 Feb 2019

 Two workshops run by BEIS/Ofgem to discuss scope, appetite for change, and collect industry views on the proposed "spectrum of options"

#### **April 2019**

Potential for ELEXON hosted industry event

#### May - June 2019

Consultation to be launched

#### **Summer 2019 - ? (Exact date not confirmed)**

Energy Strategy White Paper to be published

# **Summary - ELEXON's engagement with BEIS/Ofgem**

#### November 2018 – February 2019

 Continuous engagement with the core team at BEIS/Ofgem working on the Codes Review; feeding into their thinking and clarifying questions and queries

#### February 2019

 Angela Love presented at the workshops, outlining a practical way to address the identified issues, building on options outlined by BEIS/Ofgem (a unique approach as other presenters focused on individual process/suggestions rather than presenting a coherent approach)

#### February – May/June 2019 and beyond

 We will continue working closely with the core team at BEIS while we are build up further details around our initial suggestion and engage with ELEXON stakeholders

### **Agenda**

3

#### **ELEXON's proposals**

- 1. ELEXON's position relative to BEIS proposals
- 2. GB Energy industry governance what's the problem?
- 3. How codes can be consolidated
- 4. What the "substantial reform" future could look like



#### **ELEXON's position relative to BEIS proposals**

<u>Process</u> <u>improvements</u> to the status quo

**Existing structures**, responsibilities/ accountabilities are **maintained**. No change to the current model.

Substantial reform of the codes system

These options involve a significant degree of structural change, accountabilities, powers, etc.

Includes significant change to the current model

Taking a <u>different</u>
<u>approach</u> – moving away
from codes

These are the most radical solutions, resulting in **fundamental structural change**. <u>Includes fundamental</u> <u>change to the current model.</u>

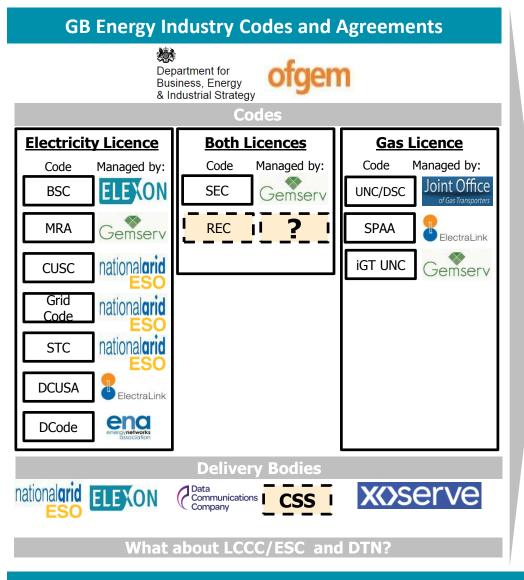
Options involve significant changes to powers and responsibilities.

New bodies are introduced into the governance framework.

We have summarised and built upon on the suggestions shared with Ofgem previously on how existing processes can be improved to deliver the desired outcomes for the industry and the consumers ELEXON's proposition to consolidate codes strongly fits with the Substantial reform option outlined by BEIS/Ofgem. We believe it will preserve and share best practice and will be achievable in a shorter timeframe in comparison with more fundamental structural reform

Recognising strong influence from the Energy Systems Catapult's (ESC) FPSA project we included the idea of a **Strategic Oversight Function** as an optional extra to consider, if required. This may not be needed if one Code Manager is put in place

#### The current GB Central Market landscape: too much fragmentation



# 11 Industry Codes6 Code Managers, 5 Delivery Bodies

**ELEXON** has proposed simplification and consolidation, for a number of years because fragmentation of codes and central systems:

- **Is confusing** for smaller and new entrants
- Hinders innovation (unless there is ability for trials/ derogations with expert support and insight)
- **Breeds inconsistency** between different codes (e.g. change process, change prioritisation, panel independence)

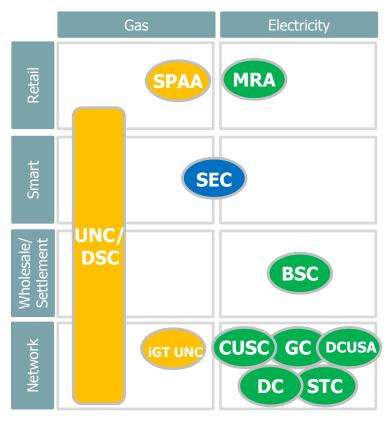
#### **ELEXON** has argued Codes must have:

- Independence of Panel decisions reduce incumbent influence via independent appointments, consumer reps
- Code Manager expertise more than minute taking. To help, need deep understanding of market arrangements and operations
- **Assurance activities** to give confidence to market
- **Accessible/inclusiveness** enable participation, support for smaller players, with swifter change processes
- **Transparency -** different Code Manager business and funding models/corporate purposes lead to conflicting priorities

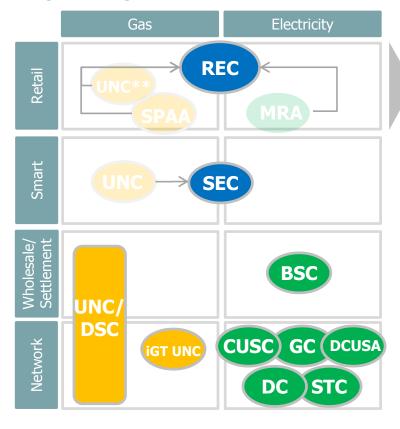
Now is the time to address code and central systems proliferation and fragmentation for the benefit of consumers and the market

# **ELEXON's proposals - How codes can be consolidated**

#### **Current Code Governance Framework\***



#### **Ofgem's Target Code Governance Framework\***



#### **Retail Energy Code**

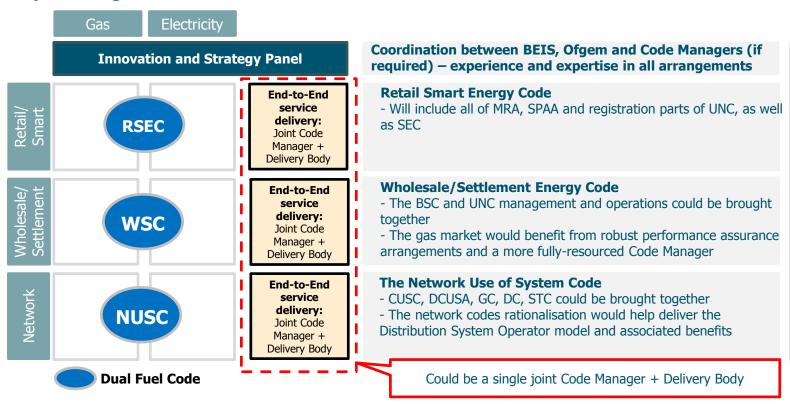
- Proactive Code
   Manager (vs code administrator)
- Performance
   Assurance is part of the code
- 'Mandate to coordinate' cross code change
- Best in class governance arrangements
- Gas Code

  Dual Fuel Code
- Under the Faster Switching Programme, Ofgem is creating a dual fuel code for retail aspects of the gas and electricity market (Retail Energy Code REC)
- Ofgem's REC proposal is designed to be leading the way in Code Consolidation and learning lessons from the current issues and complexity

How can we consolidate Codes further to embed industry best practice and enable alignment of gas, electricity, transport and heat — 'A Whole Systems Approach'?

# **ELEXON's proposals - What the "substantial reform" future could look like**

#### **Proposed Target Code Governance Framework**



#### Single Digital Market Entry Platform or Portal

- Digital market entry process leading to faster registration (vs paper-based now)
- 'One-stop shop' and better coordination
- Simplified and more efficient user experience
- Cost synergies
- Easier for new entrants to navigate
- Scalable and flexible solution for future changes

Single joint Code Manager/Delivery Body could manage the platform

- By rationalising the Codes landscape there is an opportunity to harmonise governance and code management processes; to have an Innovation and Strategy Panel, if required, which can facilitate cross-code co-ordination and bring to life the 'whole-system' approach
- Coordination on market entry support and credit cover could come together and be implemented on a single digital market entry platform. If a case can be made, common services such as legal support, HR could be enabled

A single digital market entry platform for new arrangements will act as a 'one stop shop' to improve accessibility, transparency and understanding

# **ELEXON's proposals -** 'Quick wins' to consider

# 'No-regret' improvements to the code governance — under the current model/landscape

- 1 Fragmentation of codes and central systems: seek upcoming opportunities to consolidate code management and system delivery functions
- **Change Process:** review end-to-end Change Process to ensure agile delivery, review roles/timelines for Ofgem, industry, code administrators
- Change Process: how can new players and smaller market participants ensure their interests are represented?
- Panel Governance: what are best practices? Can best practices be replicated across all code panels? How quickly?
- Codes Governance: what is the role for code manager vs Code Panel? What role delivery bodies can/should play?

#### **Expected outcomes in short term:**

- **1. Robust prompt support** to new policy proposals and Gov/regulator initiatives
- **2. Remove commercial positioning** in modification development and discussion
- **3. Improvement in existing services** for new and future users
- **4. Greater coordination** to support new market entrants
- **5. Less burden** for Ofgem and industry parties in supporting the change process
- **6. Co-ordination of change** to facilitate and support faster changes to existing industry frameworks and rules
- **7. Improvement in service** single point of contact for services, sharing best practices
- **8.** More focused Panel discussions

We believe that much can be done to push existing boundaries of the codes to make these improvements and achieve expected outcomes — ELEXON has already started this

# **Agenda**

4

#### **Next steps**



	Action/Workstream	Status/Deadline
1	Continue with our engagement activities with industry stakeholders and potential for ELEXON hosted event	Ongoing
2	Work closely with the core team at BEIS/Ofgem while they are developing their thinking and the consultation outline	Ongoing
3	Develop a white paper detailing our 'three-code' proposition further – discussing with BEIS/Ofgem throughout development	Ongoing; deadline - March

