

# MINUTES

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**MEETING NAME** BSC Panel

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**Meeting number** 291

**Date of meeting** 13 June 2019

**Venue** ELEXON Ltd, 350 Euston Road, NW1 3AW

**Classification** Public

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## ATTENDEES AND APOLOGIES

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<b>Attendees</b>	Michael Gibbons	MG	BSC Panel Chairman
	Colin Down	CD	Ofgem Representative
	David Lane	DL	DSO Representative
	Jon Wisdom	JW	NETSO Representative
	Lisa Waters	LW	Industry Panel Member
	Mark Bellman	MBe	Industry Panel Member
	Stuart Cotten	SC	Industry Panel Member
	Diane Dowdell	DD	Industry Panel Member
	Tom Edwards	TE	Industry Panel Member
	Rhys Kealley	RK	Industry Panel Member Alternate
	Phil Hare	PH	Independent Panel Member
	Derek Bunn	DB	Independent Panel Member
	Stew Horne	SH	Consumer Panel Member
	Anne Heal	AH	ELEXON Board Member
	Mark Bygraves	MB	ELEXON CEO
	Nigel Perdue	NP	ELEXON Director of Operations
	Lawrence Jones	LJ	Modification Secretary
	Victoria Moxham	VM	Panel Secretary
	Jason Jackson	JJ	Panel and Committee Support Manager
	Lawrence Jones	LJ	ELEXON (Part Meeting)
	Ivar Macsween	IM	ELEXON (Part Meeting)
	Chris Wood	CW	ELEXON (Part Meeting)
	Nick Baker	NB	ELEXON (Part Meeting)
	Pavinder Babra	PB	NGESO Presenter
	Nicholas Robertson	NR	NGESO Presenter
	Nathan Cain	NC	KPMG BSC Auditor Presenter
	George Richards	GR	KPMG BSC Auditor Presenter
	Karolis Jankus	KJ	KPMG BSC Auditor Presenter
	Lisa Young	LY	C&C Group TAA Presenter
<b>Apologies</b>	Mitch Donnelly	MD	Industry Panel Member
	Victoria Pelka	VP	Consumer Panel Member

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## Apologies

- 1.1 The Chairman confirmed the apologies of Mitch Donnelly and Victoria Pelka.

## MODIFICATION BUSINESS (OPEN SESSION)

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### 2. Change Report and Progress of Modification Proposals – (291/03)

- 2.1 The Modification Secretary provided an update on open Modifications and Change Proposals.
- 2.2 The Panel discussed [P374](#). The Panel Chairman noted that this Modification could have a significant impact on the Self Governance Change process, the nature of Consultation, the existence of the Electricity Market Sandbox and which would be in the wrong direction of travel. A PM noted that this had always been their concern with P374. ELEXON noted that were the National Electricity Transmission System Operator (NETSO) to assign the Electricity Balancing Guide Line (EB GL) change process requirements to ELEXON it would extend the Report Phase from one to two months, as the Report phase consultation would need to be extended to 20 Working Days. This would be more efficient than NETSO running a separate consultation. A PM noted that in the interest of efficiency and consistency it would be best to have one rather than two consultation processes.
- 2.3 The NETSO Representative noted that these concerns would be given consideration in its submission to Ofgem. They highlighted that the NETSO had a number of concrete legal obligations under the EB GL and that it would need to ensure that these were complied with but would do so in a manner that mitigates against the Panel's concerns and delivers efficiency so far as possible.
- 2.4 ELEXON provided an update on [P375](#) and requested an extension. A PM queried whether an extension would also be requested for [P376](#) and ELEXON confirmed that this would be the case at the July 2019 Panel meeting.
- 2.5 The Panel discussed the benefits versus inconvenience associated with noting the number of BSC Parties represented when responding to Consultations. ELEXON noted that these fields are not reported on and would review the form.
- 2.6 ELEXON noted the steps it had taken to make it easier for BSC Parties to respond to industry consultations, by inviting responses via phone, and to locate the monthly BSC Change Report.
- 2.7 ELEXON noted that 15 minute Settlement would need to be implemented by December 2020 unless Ofgem granted a derogation. Ofgem was revisiting its last cost benefit analysis for 15 minute Settlement, to see if the costs have materially changed since the last review. Where Ofgem derogate 15-minute settlement, Ofgem are required to conduct a new analysis every three years. To that end ELEXON noted that it, along with National Grid, was supporting Ofgem's cost benefit analysis. ELEXON noted that given the circumstances the prudent thing to do would be to raise a Modification. ELEXON hoped however, that this would not be necessary as it could result in significant waste of time and resource should the derogation subsequently be granted.
- 2.8 A PM and the NETSO Representative noted that implementing 15 minute Settlement by December 2020 was likely to be unachievable. The Panel Chairman queried whether the Ofgem representative would be able to provide an indication of the likely outcome in respect of the derogation for 15 minute Settlement. The Ofgem Representative noted that they could not comment at this, the June 2019 Panel meeting, but that they would take this away as an action.

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- 2.9 A PM noted that it would be valuable to have a glide path in respect of if or when the industry should be ready to implement 15 minute Settlement. The PM noted that it would be important to get enough notice that implementing this change was feasible.
- 2.10 A PM noted that there was more to consider than just what the UK should be doing in the short term, given that with TERRE for example it might be a requirement that the UK moves to 15 minute Settlement in order to trade with Europe.
- 2.11 The BSC Panel:
- a) **APPROVED** a one-month extension to the P371 Assessment Procedure;
  - a) **APPROVED** a two-month extension to the P374 Assessment Procedure;
  - b) **APPROVED** a six-month extension to the P375 Assessment Procedure;
  - c) **APPROVED** the redlined changes to BSCP40 and new Code Subsidiary Document, assigning control to the ISG as a category 1 Configurable Item; and
  - d) **NOTED** the contents of the June Change Report.

## 3. P386 'Corrections and clarifications to the P344 'Project TERRE' legal text' – (291/05)

- 3.1 ELEXON presented the [P386](#) Draft Modification Report.
- 3.2 The BSC Panel:
- a) **AGREED** that P386:
    - i) **DOES** better facilitate Applicable BSC Objective (d).
  - b) **DETERMINED** (in the absence of any Authority direction) that P386 is a Self-Governance Modification Proposal;
  - c) **APPROVED** an Implementation Date for P386 of 7 November 2019, as part of the BSC 2019 November Release;
  - d) **APPROVED** the P386 draft legal text;
  - e) **APPROVED** the draft changes to the P386 Code Subsidiary Documents;
  - f) **APPROVED** the P386 Modification Report; and
  - g) **NOTED** that the P386 Self-Governance window will expire at 5pm on 4 July 2019.

## 4. P379 'Multiple Suppliers through Meter Splitting' Interim Report – (291/06)

- 4.1 ELEXON presented the [P379](#) interim Assessment Report. The Panel Chairman noted good attendance at P379 Workgroups and the significant impacts this Modification would have on the industry. ELEXON also noted that while the issue was complex to work through, the aim was still for the Modification to deliver a relatively straightforward solution.
- 4.2 A PM suggested that delivery of this Modification might require changes to other Codes or the Electricity Supply Licence noting that this might significantly extend the timescales for implementation. ELEXON noted that the intent of the Modification was to deliver a solution that works within the current legislative and regulatory arrangements.
- 4.3 The NETSO Representative suggested that the scope of this Modification may be broader than was envisaged by the Modification process and that this level of change might sit better as part of a Significant Code Review (SCR). He proposed that a more sensible solution might be to focus the scope of the Modification on a more

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specific issue such as Electric Vehicles (EV). A PM agreed that focusing the Modification more tightly might avoid unforeseen consequences of the change detrimentally impacting the market. The Panel Chairman asked the PM to be more specific in respect of these detrimental impacts. The PM noted that it might provide an opportunity for certain Suppliers to be disruptive and fail to adequately support end consumers.

- 4.4 A PM noted that Non-Half Hourly Metering should be out of scope of this Modification and that they had originally believed that it was. Likewise, in respect of network charging which would be covered under other industry Codes. The Panel discussed the risks of generalising the solution developed through this Modification, including potential impacts on consumers and their relationship with electricity Suppliers. The Panel also discussed the potential benefits of delivering this change and some of the innovative business models it might facilitate. A PM challenged the usefulness of this Modification on the grounds of a perceived lack of consumer interest in such arrangements. The PM suggested that the potential risks presented by this Modification outweighed the benefit given a potential lack of consumer appetite. A PM noted that there might not be a great deal of support from Government on this given that the Government appeared to be focused on fairness for example through its introduction of the price cap on consumers served by pre-payment Metering.
- 4.5 A PM noted that while the short term benefits might be limited, this kind of change might facilitate positive long term changes and innovation which would be in consumers' best interests. The PM highlighted the contrast between the significant complexity of the mechanics needed to underpin such a solution and the simplicity which would need to be achieved in respect of the consumer facing interface to engage with such arrangements.
- 4.6 The Consumer PM noted that Ofgem cares deeply about the unfairness that certain consumers face and that the objective of the BSC should be to promote fiercer competition. They noted that this Modification might help to improve competition which could potentially negate the need for a price cap, should prices be driven down naturally by such competition.
- 4.7 A PM referenced potential impacts of this Modification on the Supplier Hub Principle. The Panel Chairman noted the positive feedback and high levels of interest received in respect of the Whitepaper ELEXON had published on this topic. They also noted the positive feedback received from Consumer Groups. The Panel Chairman noted that the Panel's view appeared to be that while this Modification represented a positive change it was critical that progress was made incrementally in order to ensure that it is delivered at a manageable pace.
- 4.8 The Ofgem Representative questioned if this agenda item should be added to a future meeting for this change to be discussed again, perhaps with an Ofgem colleague from the relevant policy team in attendance. Ofgem generally welcomes innovation and hopes that the industry can deliver this through Code Modification processes as a SCR should be a very last resort. A PM noted that there were two routes for a SCR, one which facilitates the design of a solution and the other which facilitates the design of a policy to enable a solution. The PM noted that this was a big piece of work and rather than developing and delivering many small solutions it would be better to have a clear policy setting out the direction of travel and what the end was to better co-ordinate these smaller disparate pieces of work.
- 4.9 A PM suggested that the Consumer PM should investigate whether or not consumers actually wanted this option.
- 4.10 A PM noted that an SCR shouldn't be required and that this Modification had been raised through the Modification process and was being progressed by the Workgroup. A PM noted that due process dictated that the Panel should work to move this change forward. This was especially important with the Electricity Market Sandbox in stasis.

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- 4.11 ELEXON thanked the Panel for its comments and noted that these would feed into the Modification process. ELEXON acknowledged that this was a complex piece of work and that there was a long way yet to go to deliver a workable solution and that this might require changes to be raised with other Code bodies and the regulator. ELEXON noted that the proposer had given assurances that it would raise these other changes as required.
- 4.12 A PM reiterated how important it was for Ofgem to give the industry appropriate steer in terms of the desired direction of travel in order to ensure that these changes were being delivered in line with Ofgem's long term ambitions for innovation within the electricity industry.
- 4.13 The BSC Panel:
- a) **APPROVED** a six month extension to the P379 Assessment Procedure;
  - b) **AGREED** the proposed Assessment Procedure timetable; and
  - c) **NOTED** the content of this P379 Interim Assessment Report.

## 5. P387 'Allowing email communications for the BSC Panel Elections process' – (291/07)

- 5.1 ELEXON presented the [P387](#) Draft Modification Report.
- 5.2 The BSC Panel:
- a) **AGREED** that P387:
    - i) **DOES** better facilitate Applicable BSC Objective (d).
  - b) **DETERMINED** (in the absence of any Authority direction) that P387 is a Self-Governance Modification Proposal;
  - c) **APPROVED** an Implementation Date for P387 of 7 November 2019, as part of the BSC 2019 November Release;
  - d) **APPROVED** the P387 draft legal text;
  - e) **APPROVED** the draft changes to the P387 Code Subsidiary Documents;
  - f) **APPROVED** the P387 Modification Report; and
  - g) **NOTED** that the P387 Self-Governance window will expire at 5pm on 4 July 2019.

## 6. P366 'Change to Supplier Charge SP08a for hard-to-read sites' – (291/08)

- 6.1 ELEXON presented the [P366](#) Draft Modification Report.
- 6.2 A PM noted the assertion within the consultation response that SP08a Supplier Charges are no longer appropriate for the changing market. ELEXON noted that their understanding of the Proposer's response, based on conversations with the Proposer was that many of the varied services it offers were not envisioned when these charges were originally devised. Nor was the fact that smaller Suppliers would operate and compete within the market. The PM stressed that accurate Settlement allocation should be the primary responsibility of the BSC. Suggesting that any other services the Proposer's business offered were irrelevant in respect of the intention of SP08a which was to promote the provision of Meter Readings for Settlement.
- 6.3 ELEXON noted that the Proposer had not set out to avoid SP08a Supplier Charges and that it has no intention of neglecting to read Meters where it was practical to do so. A PM noted that smaller Suppliers were hit harder by SP08a Supplier Charges due to the impact of hard-to-read (HTR) Metering Systems being aggregated across a smaller portfolio.

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- 6.4 A PM noted that they sympathise with both sides of the argument noting that something needed to be done to avoid smaller Parties continuing to be penalised under the BSC for failures they could not reasonably be expected to control. The Panel Chair noted that on the basis of the arguments presented at the May 2019 Panel meeting it appeared that most Panel Members acknowledged that this was an issue that needed to be addressed and the question then was whether P366 represented an appropriate solution.
- 6.5 Panel Members expressed views for and against the Modification and whether or not the existing SP08a Supplier Charges acted as an effective incentive to read Meters. They discussed the risk associated with waiting for a longer term solution to be developed through Issue 78 or the Performance Assurance Framework (PAF) review given the possibility that no long term solution is found and that smaller parties would continue to be penalised in the intervening period.
- 6.6 A PM noted that there is no competition issue as Suppliers have a choice of who to supply, so there is market equity, but questioned the origin of the 97% target (ELEXON believed, based on anecdotal evidence, that this was set arbitrarily when Supplier Charges were first established). They added that in their opinion any potential impact on competition was outweighed by the impact this Modification would have on Settlement accuracy. A different PM responded that smaller Suppliers being precluded from taking on the supply of these HTR sites represented a competition issue.
- 6.7 The BSC Panel:
- a) **AGREED** that the P366 Proposed Modification:
    - ii) **DOES NOT** better facilitate Applicable BSC Objective (c); and
    - iii) **DOES NOT** better facilitate Applicable BSC Objective (d);
  - b) **AGREED** a recommendation that P366 should be rejected;
  - c) **APPROVED** an Implementation Date for P366 of:
    - i) 7 November 2019 if an Authority decision is received on or before 31 July 2019; or
    - ii) 27 February 2020 if the Authority's decision is received after 31 July 2019 but on or before 31 October 2019;
  - d) **AGREED** that P366 should not be treated as a Self-Governance Modification
  - e) **APPROVED** the draft legal text; and
  - f) **APPROVED** the P366 Modification Report.

## 7. P364 'Clarifying requirements for registering and maintaining BM Units' – (291/12)

- 7.1 ELEXON presented the [P364](#).
- 7.2 The BSC Panel:
- a) **AGREED** the 'Limit on SVA Connection for SMRS Registered Primary BM Units where Plant and/or Apparatus is Registered in another (CVA) Primary BM Unit' as a new Category 3 BSC Configurable Item;
  - b) **AGREED** an Implementation Date of 27 June 2019 as part of the June 2019 BSC Release; and
  - c) **AGREED** the ISG as the delegated BSC Panel sub-Committee with ownership of the new Category 3 BSC Configurable Item for the purposes of the BSC Baseline Statement.

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## 8. Issue 77 Report - Review of fixed charges under the BSC– (291/09)

8.1 ELEXON tabled the [Issue 77](#) Report.

8.2 A PM noted that it was difficult to interpret the materiality of the issues detailed within the report and suggested that in future it would be better to see values in Pounds Sterling and as proportions of totals.

8.3 A PM referenced two charges which were being reduced to £0.00 and queried what checks and balances were in place to validate the assumption that post implementation these reduced charges would not have a material impact.

### 8.4 **Post Meeting Note:**

*ELEXON's finance department are planning to take a paper to the August Panel meeting to request the reduction to zero (as per the recommendation of the Issue 77 group) of 2 Specified Charges. The expectation will be that these charges take effect from 01 September 2019.*

*After the changes have been in place for 6 months, ELEXON will conduct a similar piece of analysis to see if there has been any significant change to the split between Suppliers and other Party roles. The 6 month review will coincide with ELEXON's analysis and recommendation on setting the rates for Specified Charges for the 2020/2021 financial year, which is due to be presented to Panel in March 2020.*

8.5 The BSC Panel:

a) **NOTED** the tabled paper.

## 9. Issue 75 Report - Use of Internet Protocol IP address based communication methods for CVA Metering Systems – (291/10)

9.1 ELEXON tabled the [Issue 75](#) Report.

9.2 The Panel discussed potential impacts on information security and queried whether this risk had been discussed. ELEXON noted that information security risks had been carefully considered by the Issue Group before it was agreed that the existing security obligations and mechanism in place were sufficient.

9.3 The BSC Panel:

a) **NOTED** the tabled report.

## 10. Issue 79 Report - Erroneous Consumption Values following Change of Supplier (CoS) Events – (291/11)

10.1 ELEXON tabled the [Issue 79](#) Report.

10.2 A PM queried why this issue related to smart Meters specifically rather than any other kind of Meter. ELEXON noted that this issue only affected a subset of SMETS1 Meters with interoperability issues and that the issue would only persist until such time as all smart Meters had been adopted by the DCC and interoperability issues had been resolved. ELEXON noted that the reason this issue only pertained to smart Meters was because when smart Meters go dumb it is difficult to identify the correct register and different Suppliers may expect different registers for billing/Settlement.

10.3 The BSC Panel:

a) **NOTED** the tabled report.



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## NON-MODIFICATION BUSINESS (OPEN SESSION)

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### 11. Minutes of Meeting 290 and Actions arising

- 11.1 The Panel provided positive feedback on the revised approach to the BSC Panel minutes. The minutes from the May 2019 Panel Meeting number 290 were approved.
- 11.2 ELEXON provided an update on actions, noting that the Panel action log was now published on the [Panel Meeting page](#).
- 11.3 Regarding action 289/03, the NETSO Representative provided an update on the contacts and roles within the new Electricity System Operator, noting that these are published on the ESO's website. A PM challenged that this did not resolve the action they had raised and requested that the NETSO Representative revisit this request.
- 11.4 Regarding action 289/04, the Panel discussed whether there was need for a Transmission Operator (TO) Representative to sit on the BSC Panel. The Panel Chairman noted that ELEXON would discuss this further with the DSO Representative before taking further action.
- 11.5 ELEXON noted that action 290/01 would be closed as the Change Report is now published on ELEXON's website. Further to this ELEXON noted that it had and would continue to explore ways in which it can make it easier for interested parties to respond to BSC Change consultations.
- 11.6 Regarding action 290/03 ELEXON noted that an update would be presented at the August Panel meeting.
- 11.7 A PM requested that ELEXON discuss the process of joining a BSC Modification workgroup with National Grid at the upcoming CACoP meeting. The PM noted that it was much easier for interested parties to join a BSC Modification workgroup than it was to join a Grid Code modification workgroup as non-signatories required sponsorship and that this had proved challenging in their experience.

### 12. Chairman's Report

- 12.1 The Panel Chairman highlighted the policy view ELEXON had published on the Energy Codes Review, going on to note the view the Labour Party had published proposing to re-nationalise National Grid, LDSO's and Interconnectors.
- 12.2 The Panel Chairman noted a Credit Assessment Price breach and invited responses to the associated consultation as it was to close the week following the June Panel meeting.

### 13. ELEXON Report – 291/01

- 13.1 MB provided an update on recent activities and developments relevant to the BSC and ELEXON since the last Panel meeting.
- 13.2 MB noted an item not included within the June 2019 ELEXON report, namely the discussions between Energy UK and ELEXON in respect of the Radio Teleswitch service. MB noted that the ENA intended to reduce its involvement in these arrangements and that Energy UK and ELEXON were discussing how, subject to industry agreement, ELEXON could provide the associated settlement service to invoice and collect payments from those Suppliers involved. A PM noted that the BBC network which supports the Teleswitch service was due to be discontinued. MB acknowledged this to be the case and noted that the service should become redundant following the successful roll out of smart meters but a solution was required in the meantime. MB noted that Energy UK's approach, based on views of their members, was for the arrangements to include within the BSC an obligation on relevant suppliers to pay plus mutualisation of unpaid charges and this would therefore require a Modification. This had again highlighted the restrictions on ELEXON activities such that ELEXON would consider a more generic Modification to allow for this sort of work to be taken up.



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- 13.3 MB highlighted the invitation within the June 2019 ELEXON Report for the industry to participate in TERRE testing.
- 13.4 MB noted the publication of the Energy Data Taskforce report and that this was welcomed by ELEXON. ELEXON publishes a lot of its data through the Balancing Mechanism Reporting Service or through licences. ELEXON anticipates BEIS driving further actions off the back of this report.
- 13.5 MB noted that the [Smart MTD Report](#) now indicated that SMETS2 Meter installations had over taken SMETS1.
- 13.6 A PM queried whether forecast Transmission Loss Factors (TLFs) were compared to the subsequent actual values. A PM noted that this would not be possible as it would require a live volume model for every 30 minute Settlement Period. A PM noted that the model should at least be reviewed in order to ensure it is still accurate and fit for purpose. The NETSO Representative suggested that if there is no annual review process that this should be considered as part of the BSC Audit.

## ACTION 291/03

- 13.7 A PM asked about the review of the contract for the Contracts for Difference (CfD) and Capacity Market (CM) settlement arrangements which had been referred to in the Business Plan. MB responded that following a thorough review by Low Carbon Contracts Company (LCCC) and its independent expert advisers, LCCC and ELEXON had concluded that the current contract should continue. The conclusion of this review was that the service is stable and effective and that LCCC and the Electricity Settlements Company (ESC) are receiving a high quality service, which, by implementing a few improvements, will remain fit for the future, whilst also driving further value for money going forward.

## 14. Distribution Report - Verbal

- 14.1 DL noted that the ENA has taken a very strong and robust line on the Labour Party's policy document on re-nationalisation and that it had published [its view on the ENA website](#).

## 15. National Grid Report – Verbal

- 15.1 The NETSO Representative noted that the ENA's position regarding the Labour Party proposal to re-nationalise networks was similar to its own. National Grid provides the most reliable network and has a key role in working to drive de-carbonisation. The NETSO Representative noted the [record length period recently](#) during which coal was not a part of the fuel mix. The NETSO Representative noted that any move to state ownership would only delay progress and investment. This would be a distraction and would be extremely complex to implement.
- 15.2 In respect of the NETSO's compliance with Article 18 of the EB GL, the NETSO Representative noted that it had written to Ofgem with its updated mapping against the EB GL requirements and that Ofgem broadly agreed with how it was progressing. The required changes would be delivered through a Connection and Use of System (CUSC) modification. The NETSO would consult until 4 July 2019 prior to delivering a revised letter to Ofgem by 4 August 2019 as the iterative process continues.
- 15.3 In respect of the TERRE arrangements the NETSO Representative noted that its systems had started to communicate data with BSC central systems regarding technical system specifications.
- 15.4 A PM noted difficulty in procuring relevant specifications from National Grid's website in respect of TERRE. The PM requested that the relevant specifications be circulated to appropriate consultants and associations in order to ensure that interested parties have access to these. The NETSO Representative noted that they would follow this up internally.

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## 16. Ofgem Report – Verbal

- 16.1 The Ofgem Representative noted that following the extension to Article 50, the Government had confirmed that 'no-deal' preparations should now focus on 31 October 2019. If the UK does leave with no deal, Ofgem will publish its decision on the necessary licence changes as soon as it is practicable to do so, with the changes taking effect 56 days later. In the interim, Ofgem will keep its proposed changes under review, looking out for any consequential changes that may arise in the meantime. The Ofgem Representative noted that consequential changes to the BSC would be required and that Ofgem expects ELEXON and the industry to keep these under review (such as in respect of where new EU legislation might mean further changes are required to electricity industry codes). Ofgem expects any code changes to be made as close to exit day as is practicable. If it appears leaving the EU will mean any parts of the regulatory framework become inoperable, Ofgem will take a pragmatic approach and work with the industry and relevant code bodies to address any issues.
- 16.2 If the UK leaves the EU with a deal, Ofgem assumes that the licences and codes will not need to be modified during the implementation period. The Ofgem Representative encouraged ELEXON to keep the BSC under review and to let Ofgem know if it identifies any changes required for any transitional period.
- 16.3 The Ofgem Representative noted that the BEIS/Ofgem code review was still aiming for a summer consultation.
- 16.4 The Ofgem Representative noted that Ofgem had ordered Solarplicity to pay Feed in Tariff (FiT) generators on 10 May 2019 using a provisional order, but that as of 22 May 2019 Ofgem had decided not to confirm this provisional order.
- 16.5 The Ofgem Representative noted concerns around Cadent which had left large numbers of consumers without gas longer than they should have been. In light of this Cadent had agreed to pay £24m and established a £20m community fund.
- 16.6 The Ofgem Representative noted that E, Economy Energy and Dyball Associates were found to have infringed the Competition Act and were collectively fined £870k.
- 16.7 On the Supply Licensing review, the Ofgem representative noted that much of the focus in the media is on the entry requirements. However, Ofgem also consulted on ongoing and exit stages of Supplier licensing. Ofgem had published an update on the way forward on progressing these areas and was planning a workshop on 21 June 2019 to discuss these stages.

## 17. Report from the ISG – 291/01B

- 17.1 The Panel noted the report from the ISG.

## 18. Report from the SVG – 291/01C

- 18.1 The Panel noted the report from the SVG.

## 19. Report from the PAB – 291/01D

- 19.1 The Panel noted the report from the PAB.

## 20. Report from the TDC – 291/01E

- 20.1 The Panel noted the report from the PAB.

## 21. Trading Operations: BSC Operations Headline Report – 291/02

- 21.1 The Panel noted the BSC Operations Headline Report.

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## 22. System Price Analysis Report (SPAR) – ISG 217

- 22.1 The Panel noted the System Price Analysis Report.

## 23. Any other Business

- 23.1 The Panel Chairman noted comments raised by David Titterton, the ELEXON Board Member who had attended the May 2019 Panel meeting. DT had noted that PMs frequently receive circa 350 pages of documentation ahead of each Panel meeting. DT had queried whether this was appropriate and whether it was reasonable to expect PMs to review such a large volume of information. The Panel Chairman invited suggestions from the Panel on how this might be addressed without losing the value of providing PMs with all of the information available in respect of items they would be passing decisions on.

## 24. Value Of Avoided Actions Analysis – (291/13)

- 24.1 ELEXON presented the findings of its analysis in respect of Value of Avoided Actions in reference to pending Action 284 (07).
- 24.2 ELEXON agreed to update the graphs within the paper to address the Panel's comments in respect of how the Bids and Offers were ordered within the graphs. The updated paper has been published on the [June 2019 Panel webpage](#).
- 24.3 The Panel Chairman queried how frequent such events were likely to be. ELEXON noted that the Market Index Price (MIP) frequently set the system price but instances where this happens concurrently with a Short system position were likely to be rare.
- 24.4 The Panel discussed whether the system had been sending the correct signals or creating the correct incentives. The Panel also considered whether this event could have been driven by Net Imbalance Volume (NIV) 'chasing'.
- 24.5 The Panel Chairman directed the presenter to engage with the PM who had raised the concern around 'NIV chasing' in order to better understand these concerns and to explore possibilities of any further investigation appropriate to the resolution of these concerns before providing a further update to the Panel.

**ACTION 291/05**

- 24.6 The BSC Panel:
- a) **NOTED** the information provided within the paper.

## 25. Next Meeting

- 25.1 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 July 2019.