

ELEXON REPORT

MEETING NAME BSC Panel

Date of meeting 8 August 2019

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Purpose of paper For information

Classification Public

Summary This paper provides a summary of recent issues and developments relevant to the BSC and ELEXON since the last Panel meeting.

1. Overview

1.1 ELEXON provides this paper for the Panel's information. It presents an overview of activities and developments within ELEXON and the balancing and settlement arrangements. ELEXON provides detailed information on operational matters in other reports, particularly the Trading Operations Report.

2. ELEXON news

Consultation responses

2.1 We haven't responded to any consultations since our last update to the Panel. All of ELEXON's previous responses to industry consultations are available on the [industry insights](#) page of the ELEXON website.

ELEXON Board Circular

2.2 The ELEXON Board publishes a circular every six months or so to keep BSC Parties informed of the issues that the Board is currently focussed on. The latest [Circular](#) was published on 8 July updating stakeholders on a number of key work streams including ELEXON's views on the energy codes review, our initiatives to enable innovation and new business models, and details of our two recently appointed non-executive directors.

2.3 It also provides an update on our Foundation programme (to re-design BSC systems to deliver a flexible, scalable and open platform). The programme is currently on track, although the recent requests for a delay to the go live of Project TERRE by some European Transmission System Operators, including National Grid ESO may lead to some re-planning.

Annual BSC Meeting and Seminar

2.4 We held our annual BSC seminar on 11 July and have published [the presentations](#) given by:

- Mary Starks, Executive Director, Consumers & Markets, Ofgem
- ELEXON's CEO Mark Bygraves and ELEXON CFO Nigel Smith
- ELEXON's Director of Strategy and Communications, Angela Love

2.5 At the meeting it was also announced that following a ballot by all BSC signatories that are authorised to vote, David Titterton and Sara Vaughan were unanimously appointed as Non-Executive Directors of ELEXON's board for a term of 3 years. More information is on [our website](#).

Michael Gibbons reappointed as BSC Panel and ELEXON Board Chairman

- 2.6 We have announced that Michael Gibbons will continue to serve as Balancing and Settlement Code (BSC) Panel and ELEXON Board Chairman for a further three year period when his current tenure expires at the end of September 2019.
- 2.7 The announcement follows a series of discussions between the Balancing and Settlement Code Panel and the ELEXON Board. The reappointment has also been approved by energy regulator Ofgem. ELEXON believes Michael's continued Board and Panel leadership will play an important role in helping to deliver significant changes that will benefit the energy sector. These include ELEXON's work on the implementation of Market-Wide Half-Hourly Settlement which will help the industry and consumers get the full benefit of using smart meters.

BSC Change process – making it easier to review document changes

- 2.8 When ELEXON consults on subsidiary documents, we extract sections of many documents and compile them into one PDF for review. However, this often takes changes out of context, which in turn can make it harder for consultation respondents to properly review the changes without cross-referencing to the baselined document published on our website. This impacts all parties who wish to respond to BSC change consultations.
- 2.9 From 15 July onwards, instead of extracting parts from documents for review, we have been issuing the full amended documents in Microsoft Word format. It will be much easier to review changes in full context, which will reduce the risk of inconsistencies arising; and the 'tracked changes' function of Microsoft Word (or other document processor) will make it easy to identify where changes have been made. We will also add text at the start of the documents to highlight which sections have changed for convenience.
- 2.10 If you have any questions, or believe this will cause you or your organisation any challenges, please contact us at bsc.change@elexon.co.uk.

3. Industry news

European and Brexit developments

- 3.1 The UK's default legal position of a 'no deal' Brexit on 31 October 2019 is unchanged. And there were no significant Brexit developments this month affecting the BSC directly.
- 3.2 Our European updates assume that we continue to be bound by European energy law, which has been the default assumption adopted by the energy industry including Ofgem. In fact, some obligations remain in the event of no deal because they are being retained into UK law.

Regulation on Energy Market Integrity and Transparency (REMIT)

- 3.3 On 17 July 2019, the European Agency for the Cooperation of Energy Regulators (ACER) published updated: [Guidance on the application of REMIT](#), [REMIT Manual of Procedures on data reporting](#); and [REMIT FAQs](#), as well as a [public consultation on the definition of REMIT inside information](#).
- 3.4 ACER is consulting on giving more guidance as to what would constitute REMIT inside information, in particular whether there should be thresholds and what these should be.
- 3.5 In addition, ACER is proposing that the use of inside information platforms, such as [ELEXON's REMIT platform](#), be made mandatory for the effective publication of inside information from 1 July 2020.

Clean Energy Package of European legislation

3.6 ELEXON is analysing the detail of the Electricity Regulation and Electricity Directive, which both became law on 4 July 2019, to determine any impacts and BSC Modifications that may be required.

Code Administration Code of Practice (CACoP stakeholder) event

3.7 On 16 July, ELEXON hosted a stakeholder event on the CACoP. Following this event, we would like to draw stakeholders' attention to the [CACoP area](#) of our website that includes the latest Horizon Scan, Central Modification Register and Ofgem requested metrics for April-June 2019 as well as the slides from the recent stakeholder event.

3.8 For more information, please contact [Chris Wood](#) on 0207 380 4142, Senior Change Analyst, who is ELEXON's CACoP liaison contact.

4. Operational news

Majority of Smart Meters Are SMETS v2.0

- 4.1 Our latest [Smart Meter Technical Detail Report \(June 2019\)](#) shows the number of SMETS v1.0 installed continues to fall and the majority of installs are now SMETS v2.0 (59.28% in the June reporting period).
- 4.2 In May 2019 the number of SMETS v1.0 installed was 67,000, decreasing to 54,000 in June. The number of SMETS v2.0 installs has continued to increase to 131,000 in June compared with the 129,000 in May. Our report shows that overall 10.08 million electricity meters have been replaced with smart meters – just over a third of the total number of electricity meters in Britain.
- 4.3 The Smart Meter Technical Detail Report is used to monitor compliance with BSC obligations over the foundation and mass roll-out phases of the smart meter roll-out. It provides:
- market level performance at sending late and corrected meter technical details for both SMETS v1.0 and v2.0
 - volumes of meter installations completed by meter type, and
 - performance at first reconciliation run for all meter types.
- 4.4 For more information, please contact settlementoperations@elexon.co.uk.

Update on industry testing for wider access to the Balancing Mechanism and Project TERRE

- 4.5 Later in August ELEXON will publish its approach to industry testing of modification P344 'Project TERRE implementation into GB market arrangements'. This will specify what kind of testing we will carry out and how participants can get involved.
- 4.6 We will be offering sample test files, including the revised Settlement file SAA-I014, and in the autumn there will be opportunities for more integrated testing of key industry interfaces, in particular for prospective Virtual Lead Parties. During this period, we will also be testing our interfaces with National Grid and agreeing where they may need our further support.
- 4.7 Please contact us at TERRE.testing@elexon.co.uk with any queries or suggestions about how our plans can support your own testing needs. If you have any questions about participant interfaces with National Grid, then please contact Commercial.Operation@nationalgrideso.com.

EMR update

- 4.8 The following EMR Circulars have been issued since the last Panel meeting:
- EMRC183: Operational Cost Levy and Settlement Costs Levy Refund 2018-2019

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- EMRC184: Planned out of hours outage on the EMR systems

4.9 All EMR circulars are all available to download from the [EMR Circulars page](#) of the EMRS website.

5. Settlement reform and support for Ofgem projects

ELEXON publishes new research from Cornwall Energy Consulting on the case for energy code reforms

- 5.1 We have published new research that we commissioned from Cornwall Energy Consulting about the case for reforming the 11 energy codes, which provide the commercial contracts between energy market participants.
- 5.2 The research provides our insights on how the energy codes could be reformed to Ofgem and BEIS as they are carrying a review into the codes landscape. We have proposed that the 11 codes should be consolidated into three, as set out in our [Policy View](#).
- 5.3 We asked Cornwall to analyse six potential new code governance structures, including our proposal and we have published their [analysis](#).

6. Summaries of Panel business – tabled

- 6.1 Summaries of papers considered and decisions made by the Panel Committees since the last Panel meeting can be found in their headline reports, included as attachments to this paper.

7. Recommendations

- 7.1 We invite you to:
- a) **NOTE** the contents of this paper.

Attachments

Attachment A – ELEXON monthly KPIs

Attachment B – Report from the ISG

Attachment C – Report from the SVG

Attachment D1 – Report from the PAB (Confidential)

Attachment D2 – Report from the PAB (Public)

Attachment E – Report from the TDC

For more information, please contact:

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