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MEETING NAME	BSC Panel
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Meeting number	293
Date of meeting	Thursday 8 August 2019
Venue	ELEXON Ltd. Offices – Pink Room
Classification	Public

ATTENDEES AND APOLOGIES

Attendees	Michael Gibbons	MG	BSC Panel Chairman
	Colin Down	CD	Ofgem Representative
	Mark Bellman	MBe	Industry Panel Member
	Stuart Cotten	SC	Industry Panel Member (Alternate for Lisa Waters)
	Diane Dowdell	DD	Industry Panel Member
	Tom Edwards	TE	Industry Panel Member
	Rhys Kealley	RK	Industry Panel Alternate (Alternate for Mitch Donnelly)
	Phil Hare	PH	Independent Panel Member
	Derek Bunn	DB	Independent Panel Member
	Stew Horne	SH	Consumer Panel Member (Alternate for Victoria Pelka)
	Rob Wilson	RW	NGESO Panel Member Alternate
	Mark Bygraves	MB	ELEXON CEO
	Nigel Perdue	NP	ELEXON Director of Operations
	Sara Vaughan	SV	ELEXON Non-Executive Director
	Lawrence Jones	LJ	Modification Secretary (Part Meeting)
	Victoria Moxham	VM	Panel Secretary
	Jason Jackson	JJ	Panel and Committee Support Manager
	Nick Baker	NB	ELEXON (Part Meeting)
	Matt Woolliscroft	MW	ELEXON (Part Meeting)
	Danielle Pettitt	DP	ELEXON (Part Meeting)
	Chris Wood	CW	ELEXON (Part Meeting)
	Darren Draper	DD	ELEXON (Part Meeting)
	Peter Frampton	PF	ELEXON (Part Meeting)
	Karen Lavelle	KL	ELEXON (Part Meeting)
	Angus Fairburn	AF	ELEXON (Part Meeting)
	Douglas Alexander	DA	ELEXON, PAB Chairman (Part Meeting)
Apologies	Victoria Pelka	VP	Consumer Panel Member
	Jon Wisdom	JW	NGESO Panel Member
	Lisa Waters	LW	Industry Panel Member
	Mitch Donnelly	MD	Industry Panel Member
	David Lane	DL	DSO Representative

Apologies

- 1.1 The Chairman confirmed the apologies of Victoria Pelka, Jon Wisdom, Lisa Waters, Mitch Donnelly and David Lane.

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MODIFICATION BUSINESS (OPEN SESSION)

IWA: Initial Written Assessment | **AC:** Assessment Procedure Consultation | **AR:** Assessment Report
RC: Report Phase Consultation | **DMR:** Draft Modification Report

2. Change Report and Progress of Modification Proposals – (293/03)

2.1 The BSC Panel:

- a) **APPROVED** a one-month extension to the P385 Assessment Procedure; and
- b) **NOTED** the contents of the August Change Report.

3. **P388 DMR 'Aligning the P344 and P354 Solutions' – (293/04)**

3.1 The BSC Panel discussed the appropriateness of progressing this modification under Self Governance and whether the changes introduced by this modification were material. The BSC Panel agreed that this change would not have a direct material impact and that it should therefore be progressed under Self Governance.

3.2 The BSC Panel:

- a) **AGREED** that P388:
 - i) **DOES** better facilitate Applicable BSC Objective (d);
- b) **DETERMINED** (in the absence of any Authority direction) that P388 is a Self-Governance Modification Proposal;
- c) **APPROVED** an Implementation Date for P388 of:
 - i) 1 April 2020 as part of an ad-hoc BSC Release;
- d) **APPROVED** the draft legal text for P388; and
- e) **APPROVED** the P388 Modification Report.

4. **P371 AR 'Inclusion of non-BM Fast Reserve actions into the Imbalance Price calculation' – (293/05)**

- 4.1 The NGESO Representative noted the pending derogation in respect of the Implementation Date for the Trans European Replacement Reserve Exchange (TERRE) which was being driven by the French system operator RWE's inability to deliver against its implementation date. The NGESO Representative noted that this was likely to be agreed in September and that the revised implementation date was likely to be set for June 2020. The NGESO representative noted that delivery of the solution proposed within P371 would take 16 weeks following the implementation of TERRE which would likely see it implemented in October 2020.
- 4.2 The Panel Chairman and members of the Panel challenged this timeline suggesting that it should be possible for work to be done on P371 ahead of time in order to support a more efficient and earlier implementation. The Panel and the NGESO Representative discussed this possibility but the NGESO Representative noted that the NGESO's Information Systems team had advised that there would not be flexibility in this timeline.
- 4.3 ELEXON noted that the recommendation from the Workgroup had been based on TERRE being delivered in December 2019. Taking account of the 16 week offset allowed implementation of the P371 solution in June 2020.
- 4.4 A PM queried what was meant in the paper by 'true market length'. ELEXON noted that this referred to instances where the Net Imbalance Volume (NIV) accurately reflected the market length. ELEXON noted that where non-BM Fast Reserve actions were included in the calculation of the NIV there were instances where the NIV flipped from long to short or vice versa. A PM noted that this was likely to mean that were the P371 solution implemented, the NIV would represent a more accurate reflection of the market position.

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- 4.5 The Panel discussed whether an alternative solution should have been brought forward. ELEXON noted that the Workgroup had not found that the additional benefit of alternative options outweighed the additional cost and time required to deliver the solution. As such it did not raise an Alternative Solution. The Panel member commented that by not making Fast Reserve actions subject to Reserve Scarcity Pricing, they believed that the solution created an inconsistency with the treatment of Short Term Operating Reserve (STOR) actions.
- 4.6 A PM noted that given the ability of the NGESO to steer the Panel's determination on this matter the NGESO should provide the Panel with a robust and transparent breakdown of its cost and time estimations in respect of the implementation of the P371 solution. The Panel and Panel Chairman agreed with this motion. The Panel Chairman also asked that the NGESO to provide greater clarity around the conditionality linking P371 with the implementation of the TERRE given the wider access deadline.

ACTION 293/01

- 4.7 ELEXON noted that the Panel could if it chose, resubmit the Modification to the Assessment Procedure for further Workgroup analysis rather than progressing to the Report Phase. A PM suggested that the Workgroup should have considered whether an alternative solution would have been more effective. ELEXON noted that this was considered but that the Workgroup couldn't make an informed determination as to the effectiveness of the alternate solution due to the uncertainty of the future of non-BM Fast Reserve actions.
- 4.8 A PM suggested that agreeing 'that P371 does better facilitate applicable BSC Objective (a)' should be added to the recommendations against this modification on the basis that the NGESO's roles and services include balancing the system by providing user friendly, comprehensive and accurate information. The Panel agreed to this addition to the recommendations.
- 4.9 The BSC Panel:
- a) **AGREED** that P371:
 - i) **DOES** better facilitate Applicable BSC Objective (a);
 - ii) **DOES** better facilitate Applicable BSC Objective (b); and
 - iii) **DOES** better facilitate Applicable BSC Objective (c);
 - b) **AGREED** an initial recommendation that P371 should be **approved**;
 - c) **AGREED** an initial Implementation Date of:
 - i) 25 June 2020 as part of the June 2020 BSC Release;
 - d) **AGREED** the draft legal text;
 - e) **AGREED** an initial view that P371 should not be treated as a Self-Governance Modification;
 - f) **AGREED** that P371 is submitted to the Report Phase; and
 - g) **NOTED** that ELEXON will issue the P371 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 12 September 2019.

5. P374 AR 'Aligning the BSC with EGBL' – (293/06)

- 5.1 ELEXON presented the Modification and the Panel unanimously agreed all recommendations.
- 5.2 The BSC Panel:
- a) **AGREED** that the P374 Proposed Modification:
 - i) **DOES** better facilitate Applicable BSC Objective (e);
 - b) **AGREED** that the P374 Alternative Modification:

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- i) **DOES** better facilitate Applicable BSC Objective (c) than the Proposed Modification; and
- ii) **DOES** better facilitate Applicable BSC Objective (e);
- c) **AGREED** that the P374 Alternative Modification is better than the P374 Proposed Modification;
- d) **AGREED** an initial recommendation that P374 Alternative Modification should be **approved** and that the P374 Proposed Modification should be **rejected**;
- e) **AGREED** an initial Implementation Date for the Proposed Modification of:
5 WDs following the Authority's decision;
- f) **AGREED** an initial Implementation Date for the Alternative Modification of:
5 WDs following the Authority's decision;
- g) **AGREED** the draft legal text for the Proposed Modification;
- h) **AGREED** the draft legal text for the Alternative Modification;
- i) **AGREED** an initial view that P374 should not be treated as a Self-Governance Modification;
- j) **AGREED** that P374 is submitted to the Report Phase; and
- k) **NOTED** that ELEXON will issue the P374 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 12 September 2019.

6. [P383 AR 'Enhanced reporting of demand data to the NETSO to facilitate CUSC Modifications CMP280 and CMP281' – \(293/07\)](#)

- 6.1 A PM noted that there could be efficiencies derived through closer cross code working and coordination between the BSC and the Distribution Connection and Use of System Agreement (DCUSA). ELEXON noted that part of the solution would include a register designed to facilitate greater transparency and to keep record of the generators. ELEXON noted that it would be sensible to try to minimise the number of registers that collect this information and that there would indeed be benefit to having something that consolidates and looks for efficiencies across codes.
- 6.2 The Panel Chairman noted that where a Modification solution came with a high cost there should be a clear estimate of the material benefit presented by the solution.
- 6.3 A PM acknowledged the complexity of the issue and associated solution but challenged the high cost to deliver. The NGESO Representative noted that they did not have any further information on this. The Panel Chairman proposed an action for the NGESO should provide to the Panel a robust and transparent breakdown of its cost and time estimations in respect of the implementation of the P383, CMP280 and CMP281 solution.

ACTION 293/02

- 6.4 ELEXON noted that costs had been analysed as part of the workgroup. ELEXON noted that at present P383 had been assessed in isolation of other changes. When assessed alongside other changes both as part of the [Foundation Programme](#) or common registry Modifications there would likely be a number of efficiency savings identified. Establishing a register introduces some additional aggregation processes. Making as much use of other collection processes and use of Half Hourly Data Aggregators (HHDAs) and Supplier Volume Allocation Agent (SVAA) interface which has already been used for some parts of [P344](#) ELEXON has tried to build on as much existing process as possible.
- 6.5 A PM declared an interest as their organisation had raised CMP280. The PM abstained from voting on this item.

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6.6 The BSC Panel:

- a) **AGREED** that P383:
 - i) **DOES** better facilitate Applicable BSC Objective (a);
 - ii) **DOES** better facilitate Applicable BSC Objective (c); and
 - iii) **DOES** better facilitate Applicable BSC Objective (d);
- b) **AGREED** an initial recommendation that the P383 Proposed should be approved
- c) **AGREED** an initial Implementation Date for the Proposed Modification of:
 - i) 1 April 2021 as part of an ad-hoc BSC Release, to align with the related CUSC and DCUSA Modifications
- d) **AGREED** the draft legal text for P383;
- e) **AGREED** an initial view that P383 should not be treated as a Self-Governance Modification;
- f) **AGREED** that P383 is submitted to the Report Phase; and
- g) **NOTED** that ELEXON will issue the P383 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 12 September 2019.

7. **P389 IWA 'Resolution of Capacity Market and Balancing Mechanism registration conflicts' – (293/08)**

7.1 A PM proposed that ELEXON add an item to the consultation to consider any potential interaction with secondary trading arrangements. ELEXON agreed to do so.

7.2 The BSC Panel:

- a) **AGREED** that P389 progresses directly to the Report Phase;
- b) **AGREED** that P389:
 - i) **DOES** better facilitate Applicable BSC Objective (d); and
 - ii) **DOES** better facilitate Applicable BSC Objective (f);
- c) **AGREED** an initial recommendation that P389 should be **approved**;
- d) **AGREED** an initial Implementation Date of:
 - i) 7 November 2009 as part of the November 2019 BSC Release
- e) **AGREED** the draft legal text;
- f) **AGREED** the draft changes to BSCP15;
- g) **AGREED** an initial view that P389 should be treated as a Self-Governance Modification; and
- h) **NOTED** that ELEXON will issue the P389 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 12 September 2019.

NON-MODIFICATION BUSINESS (OPEN SESSION)

8. Minutes of Meeting 292 and Actions arising

8.1 The Panel approved the minutes for the July Panel meeting 292.

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8.2 ELEXON provided updates on the [public BSC Panel Action log](#) for BSC Panel meeting 293.

9. Chairman's Report

9.1 The Panel Chairman noted positive feedback received in respect of ELEXON's Annual BSC Meeting and improvements to be considered for future meetings.

9.2 The Panel Chairman noted the UK's new Secretary of State, Energy Minister and Prime Minister.

10. ELEXON Report – (293/01)

10.1 MB noted the Retail Energy Code (REC) consultation titled 'Switching Programme and Retail Code Consolidation: Proposed changes to licences and industry codes' which was published on 17 June 2019 and closes 9 September 2019. This consultation looks at some of the schedules to be included within the REC and changes which will be required to other codes and the Supplier licence.

10.2 MB noted that given the significant use of MPAS within settlement ELEXON had made a case that the BSC might be well placed to take over its governance following the demise of the Master Registration Agreement (MRA).

10.3 MB also highlighted the interactions between the TERRE and Wider System Access which ELEXON would be publishing information on later in August, including ELEXON's approach to industry testing for [P344](#). ELEXON will be engaging with the industry on that.

10.4 MB noted that EMRS published a [guidance note](#) detailing what would happen if the Capacity Market was restarted and that it would be issuing invoices for the entire 2018/19 (October to October) period and that suppliers would be expected to pay those invoices within the normal 3 days. EMRS anticipates mutualisation of amounts that are not paid within those 3 days.

10.5 A PM noted an issue with the publishing of Settlement Reports in the weeks leading up to the August 2019 Panel meeting. ELEXON noted that this had been treated as a high priority issue and had been taken very seriously and that it had since been resolved. ELEXON will be investigating what additional controls could be put in place in order to avoid a recurrence of such issues.

11. Panel Briefing Paper – BEIS/Ofgem Consultation On Reforming the Energy Industry Codes – (293/18)

11.1 MB presented the paper and discussed the impacts of the BEIS/Ofgem consultation on Reforming the Energy Industry Codes and particularly the impact on industry Panels. MB invited comment and discussion from the Panel in respect of the proposed new Strategic Body, the role of industry and panels and the power of code managers in the new arrangements proposed. MB suggested that the Panel should consider whether it wished to formulate its own response to this consultation.

11.2 A PM noted that the rebalancing of influence over change processes away from industry control was of concern, particularly given that the funding for these processes comes from the industry.

11.3 A PM noted that the consultation suggested a number of radical changes to the industry governance arrangements and challenged the rationale for some of these changes. The PM suggested that given the significant scope and impact of these changes the Panel ought to submit a response to this consultation. The PM noted that this would need to be done swiftly as the consultation was due to close on 16 September 2019. The Panel Chairman noted that ELEXON would be submitting a response to all of the questions within the consultation itself, but that the BSCCo board meeting where this would be discussed would not take place until 4 September 2019. The Panel Chairman noted that if the Panel agreed with much of the ELEXON response, then its own contribution could say so and build on the ELEXON document, and would at the same time develop more substantially its response in respect of those areas, if any, where the Panel took a different view from that taken by ELEXON. In the event that there were many differences, then the Panel

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work needed in the time available would be more challenging. In any case it would be sensible for the Panel nominees to liaise well with ELEXON (via Alina Bakhareva).

- 11.4 The Ofgem Representative noted that two workshops were being planned for the end of August and beginning of September in order to clarify industry's understanding of the contents of the consultation ahead of the date when responses would need to be submitted.
- 11.5 The Panel discussed the short notice for consultation responses and considered the risks and impacts associated with this short notice. The Panel agreed that a letter should be written to BEIS and Ofgem on behalf of the BSC Panel to express the Panel's concerns and request a one month extension to the consultation response deadline in order that the Panel might better consider the consultation and provide a more robust response.

ACTION 293/03

- 11.6 A PM referenced [ELEXON's Policy View document](#) and noted that it would be useful if the industry could better co-ordinate its views and thought pieces as it appeared that a lot of the industry share similar views but were not currently well aligned in communicating and refining these. MB noted the risk of individual code bodies promoting certain elements of the proposal which align to their existing models without any coordination. Realisation of this risk would disbenefit both the industry and end consumer. The Panel Chairman suggested that various industry parties likely have slightly different views which may prove challenging to coalesce. The PM suggested that it should still be possible for the industry to find common ground in respect of the principles it wished to see govern the eventual solution.
- 11.7 MB and the Panel Chairman noted concern over the independence of code managers should all code bodies be made accountable to the new strategic body as has been proposed within the consultation.
- 11.8 A PM challenged that the industry already received strategic direction from Ofgem and that it would be important for the new arrangements to address the question of how this was supposed to work when it does not under the current arrangements. SV noted that Ofgem had been very clear about the problem it seeks to remedy. Namely, that changes take too long to deliver and that there is no coordination. She noted that the consultation seemed to indicate that there was a desire for quicker and more agile delivery of solutions driven by one or more code manager, accountable to the same targets. There should continue to be a role for industry but the industry and its panels would need to collectively decide how that should work.
- 11.9 A PM noted that it would be important to understand the root causes for why the strategic direction being provided to the industry under the existing arrangements is not working in order to understand how it might work under the new arrangements proposed.
- 11.10 The NGESO Representative noted that the NGESO would submit its own response.
- 11.11 A PM noted that there was likely to be significant lobbying as a result of this consultation. The PM noted that it would be important for ELEXON and the Panel to feed into the process and to carefully consider the potential effect of any response submitted.
- 11.12 The Panel discussed the approach to formulating its response to the consultation. It was agreed that with the help of ELEXON's own resource, two Panel Members would work to draft a response on behalf of the BSC Panel.

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- 11.13 The BSC Panel:
- a) **NOTED** the BEIS and Ofgem Code Review proposals;
 - b) **COMMENTED** on the proposals;
 - c) **AGREED** an approach to develop a response; and

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- d) **AGREED** that a letter should be sent to BEIS and Ofgem on behalf of the BSC Panel, requesting an extension on the consultation close date.

12. Distribution Report – Verbal

- 12.1 ELEXON noted a consultation on [Application Interactivity and Connection Queue Management](#) being conducted through the Open Networks Project on behalf of the DSO Representative.

13. National Grid Report – Verbal

- 13.1 The NGESO Panel Member provided a list of dates relevant to the [C16 statement](#):
- i) 28 August 2019 - webinar to introduce the process and timelines
 - ii) 5 November 2019 - industry workshop
 - iii) 12 November 2019 - start of informal consultation
 - iv) 13 January - 10 February 2020- official consultation
 - v) 17 February 2020 - deadline to submit report to authority
 - vi) 22 March 2020 - Ofgem consultation closes
 - vii) 1 April 2020 - statements go live
- 13.2 The NGESO Panel Member also provided details of the [Stability Pathfinder RFI](#) and noted the deadline for submissions to this was 13 September 2019. Stability Pathfinder is looking at issues caused to the energy system by a move to lower inertia generation and how the NGESO and industry might be able to replace what it used to receive from larger synchronous power plants.
- 13.3 The NGESO Panel Member also noted a workgroup which had been formed under the Grid Code to look at harmonising the thresholds for a large generator across the GB area. It is currently different for different areas and harmonisation will have varying impacts in respect of which parties are required to participate in the Balancing Mechanism and join the Competition and Use of System Code (CUSC). Harmonising at the highest threshold would result in losing sight of smaller generation but harmonising at the lowest threshold would impact the greatest number of generators.
- 13.4 The NGESO Representative also noted that struggling to achieve quoracy in respect of CUSC modifications was seen as a significant blocker to progress and that changes were being considered to address this.

14. Ofgem Report – Verbal

- 14.1 The Ofgem Representative noted that Utilita had failed to meet its carbon emission reduction targets and that Ofgem had required that it pay £175,000 into an energy redress fund. Ofgem has published its decision on Capacity Market rules, including making some changes compared to the consultation in order to address stakeholder feedback.

15. Reports – 292/01B, C, D, E

- 15.1 The Panel noted the reports from the ISG, SVG, PAB and TDC.

16. Trading Operations: BSC Operations Headline Report – (293/02)

- 16.1 The Panel noted the BSC Operations Headline Report.

17. System Price Analysis Report (SPAR) – ISG 219

- 17.1 The Panel noted the System Price Analysis Report.

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NON MODIFICATION BUSINESS (OPEN SESSION)

18. Credit Assessment Price Review Process – (293/09)

- 18.1 The Panel Chairman suggested that the wording for question 4 within the consultation pro forma should be made more specific to the proposed solution. He also noted that question 3 and 5 within the pro forma could be combined due to their similarity.
- 18.2 The BSC Panel:
- a) **NOTED** the proposal to change the CAP review process; and
 - b) **APPROVED** the questions included in the consultation pro forma regarding the proposed changes to the CAP Review Process subject to an amendment to be made to question 4 within the pro forma.

19. Revision of Specified Charges 2019-2020 – (293/10)

- 19.1 The BSC Panel:
- a) **APPROVED** the reduction of CVA BM Units to £0 per month; and
 - b) **APPROVED** the reduction of Supplier Base BM Units to £0 per month.

20. Financial Threshold for De Minimis BMRS Changes – (293/11)

- 20.1 The Panel discussed the appropriateness of the thresholds set out within the paper for a single De Minimis BMRS change and the cumulative value for De Minimis changes within a BSC year. MB noted that the Modification would not have delivered against its objectives if the outcome is that consultations still need to be undertaken for the majority of the changes delivered.
- 20.2 The Panel noted that the majority of historic BMRS changes detailed within the paper had exceeded the De Minimis change threshold proposed of £30k. The Panel discussed what values might be more appropriate in order to allow for material improvements to be delivered throughout the year while avoiding costs becoming excessive.
- 20.3 The Panel settled on £70k for a single De Minimis BMRS change and £200k for cumulative De Minimis BMRS changes completed within a BSC year.
- 20.4 The Panel also agreed that the efficacy and track record of the process should be reviewed after 12 months or that the Panel could consider whether or not to continue with this new arrangement and review the limits if required.
- 20.5 The BSC Panel:
- a) **APPROVED** a limit of £70,000 for a De Minimis BMRS Change;
 - b) **APPROVED** a limit of £200,000 for cumulative De Minimis BMRS Changes within a BSC year; and
 - c) **AGREED** that the thresholds and process should be reviewed after 12 months.

21. Establishment of the BMRS Change Board – (293/12)

- 21.1 The Panel Chairman appointed Roger Harris as BMRS Change Board chairman and Tom Edwards as the Panel sponsor for the BMRS Change Board.
- 21.2 The BSC Panel:
- a) **AGREED** to establish a Panel Committee called the BMRS Change Board, in accordance with Section B5.1.1 of the BSC;
 - b) **AGREED** to appoint Roger Harris as BMRS Change Board Chairman;

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- c) **NOMINATED** a Panel Sponsor for the BMRS Change Board, who was approved by the Panel Chairman; and
- d) **AGREED** that the efficacy of the new BMRS Change Board should be reviewed after 12 months.

22. Update on the Implementation of the Recommendations from the Review of Metering Dispensations and Non-Standard BM Units – (293/13) (Tabled)

22.1 The BSC Panel:

- a) **NOTED** the progress made towards the implementation of the recommendations from the review of Metering Dispensations and non-standard BM Units; and
- b) **NOTED** the conclusion of the implementation of the recommendations from the Review of Metering Dispensations and non-standard BM Units.

23. Reference Network Mapping Statement for Use in BSC Year 2020/21 – (293/14)

23.1 A PM queried whether there was scope for maps to be added to BMRS to make the Network Mapping Statement data more intuitive. ELEXON noted that this would not be possible for this year but agreed to discuss this with the PM outside of the meeting in order to explore this possibility for the future.

ACTION 293/05

23.2 The Panel agreed for ELEXON to proceed with the consultation.

23.3 The BSC Panel:

- a) **NOTED** the draft reference NMS;
- b) **NOTED** the Network Mapping Statement for the Determination of Transmission Loss Factors; and
- c) **NOTED** that ELEXON will present the draft reference NMS to the BSC Panel for approval at its October 2019 meeting.

24. Annual data review: Reserve Scarcity Price – (293/15)

24.1 A PM challenged the validity of the study, suggesting that in order to achieve an accurate reflection of the impacts the ISG should have looked at the impact of the changes under a broader range of market conditions.

24.2 The Panel considered the impact of changing from a static to a dynamic LoLP. ELEXON noted a one off piece of analysis completed by the NGESO investigating this. ELEXON also noted that a LoLP review was already scheduled to be completed before the end of the year. A PM challenged the effectiveness and sophistication of the calculation used to derive the LoLP and suggested that this should be included as a consideration or the review.

24.3 A PM enquired about the process of harmonising the Value of Lost Load (VoLL) parameter with the European Market. ELEXON agreed to consult with Subject Matter Experts to provide a response.

ACTION 293/06

24.4 The BSC Panel:

- a) **NOTED** the findings of the paper;
- b) **NOTED** there are no significant changes in RSVP as a result of the LoLP and VoLL parameters changing on 1 November 2018;
- c) **NOTED** that ELEXON will continue to report on LoLP, VoLL and RSVP through the monthly SPAR, with any significant changes highlighted to the ISG and Panel;

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- d) **NOTED** that a review of the LoLP Calculation Statement is due to take place before the end of 2019 (which will include a refresh of this analysis to include data up to 31 October 2019); and
- e) **COMMENTED** on the feedback from the ISG on the effectiveness of the RSVP changes.

25. Funding Shares Audit findings – (293/16) (Tabled)

25.1 The BSC Panel:

- a) **NOTE** the findings of the 2018/19 Funding Shares Audit.

26. Next Meeting

26.1 The next meeting of the BSC Panel will be held at the offices of ELEXON Ltd, 350 Euston Road, London NW1 3AW on **Thursday 12 September 2019**.