

## Quality Delivery

Actively managing our services to ensure that we deliver in a reliable, economic and efficient way.

## Innovation

Enhancing and evolving our services to support industry changes and development of the energy market.

## Customer Centric

Improving the customer experience and develop richer customer relationships.

## Simplification & Consolidation

Reducing complexity and fragmentation.

## Digital Platform

Creating an agile digital platform to meet the changing energy market.

## 294/01 ELEXON Report BSC Panel

Date of Meeting	12 September 2019
Paper Number	294/01
Owner/Author	Mark Bygraves
Purpose of paper	For Information
Classification	Public
Summary	<p>ELEXON provides this paper for the Panel's information.</p> <p>The paper presents an overview of activities and developments within ELEXON, the balancing and settlement arrangements, industry and Codes.</p>

## Executive Summary

This month saw the delivery of ELEXON's new Digital Platform which marks the first step towards the digitalisation of ELEXON's core BSC systems and processes. We've also released a number of new training videos to help inform our customers and make it easier to engage with our processes. Additionally we issued an open letter to Ofgem outlining the steps we are taking to progress the recommendations of the Energy Data Taskforce. ELEXON already makes a huge amount of market data freely available and we intend to reduce the cost to non-BSC parties and make even more data accessible.

We've detailed the steps taken by ELEXON in respect of and the impacts of the 46 minute Demand Control Event which occurred on Friday 9 August 2019.

As expected there have been no major developments in respect of EU legislation during these typically quiet summer months of EU politics.

August also saw confirmation of the arrangements for testing the software platform to allow wider access to the GB Balancing Mechanism (BM) and participation in Project TERRE

ELEXON provides detailed information on operational matters in other reports, particularly the [Trading Operations Report](#) and the [System Price Analysis Report](#).

## Target Audience

ELEXON's customers and the wider industry.



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## II. ELEXON News

### Consultation Responses

We have responded to 5 consultations since our last update to the Panel as follows:

- NGESO's consultation on the updated proposal for the EBGL Article 18 Terms and Conditions for BSPs and BRPs:
  - + Our response agrees with the updated mapping proposed by National Grid ESO.
- NGESO's consultation on the proposal to extend the period over which Meter Point Administration Numbers (MPANs) in Measurement Classes F and G are treated as NHH for Transmission Network Use of System (TNUoS) charging purposes:
  - + Our response agrees that the NHH charging arrangements do need to be extended for HH Elective customers who move into Measurement Class F, in order to avoid double charging.
  - + We also note that it is now possible to separate out demand data for Measurement Classes E, F and G from each other due to P348/349. Measurement Class F and G could be charged under separate methodologies if there is the need or desire to do so from Industry Parties.
- NGESO's consultation on their updated proposal on Emergency and Restoration:
  - + Our response suggests a few changes to National Grid ESO's terms and conditions for Defence Service Providers and Restoration Service Providers, and some amendments to the Plans where they relate to the BSC.
- ENA's flexibility consultation:
  - + Our response welcomed the new commitments from network companies and suggested they attempt to mark progress against these commitments, as well as map them to other initiatives to support flexibility announced over the past year.
- Scottish Power Energy Networks' consultation on the utilisation of the Universal Smart Energy Framework:
  - + Our response highlights a number of crucial interactions between new flexibility and existing market structures and describes a number of initiatives currently underway to improve and facilitate smart and flexible energy systems, including [P375](#), [P376](#) and market-wide Half-Hourly Settlement.

These consultation responses are available on the [industry insights page](#) of the ELEXON website.



## First Solution Goes Live on ELEXON's new Digital Platform

On 17 July the Customer Solution launched on ELEXON's new digital platform, which is the first step towards the digitalisation of ELEXON's core BSC systems and processes. Initially the solution launched internally for use by ELEXON Settlement Operations and Market Entry teams prior to releasing it externally later this year.

The Customer Solution provides users with an intuitive front end that simplifies and reduces the current number of manual processes.

Through this launch, we digitalised our market entry and Settlement operations processes, and now we have a shared view of our customer data, which was previously locked within Central Registration Agent (CRA) but is now visible to ELEXON.

The key features include introducing online Market Entry and Asset registration forms enabling interested new parties to sign up to the BSC through a digital interface. An automated renewal process for authorised signatories is another key feature along with visibility of GC/DC breach data and ability to log appeals. The system also offers configurable dashboards and easy reporting which will help end users better understand their accounts and market participation.

We have produced a [webinar](#) for those wanting to know more about the Customer Solution.

## Introducing Bite-Size BSC Change

We want to make it easy for energy companies to get involved in the process for making changes to the BSC. Therefore we are producing a series of video tutorials, providing bite-size guides to key elements of BSC Change and how you can engage with the process.

The first two videos are now live:

- [Registering for a Workgroup](#)
- [Participating in a Workgroup](#)

Keep an eye out for further instalments in the coming months covering such topics as 'Responding to Consultations' and 'Acting as a Modification Proposer to change the BSC'.



### Data Strategy and Energy Data Taskforce (EDTF)

ELEXON has issued an open letter to Ofgem outlining the steps it is taking to progress the recommendations of the EDTF. These are (noting that ELEXON already makes a huge amount of market data freely available): that ELEXON intends to reduce the cost to non-BSC parties, to create a new service to make more data items freely available and simplify the process for making even more data accessible.

The analysis phase has completed and will be followed by the 'proving the processes and technology phase' where ELEXON will look to deliver a number of proof of concept solutions outlined in the recommendations.



### Training video for Trading Disputes

ELEXON has produced a [Trading Disputes video tutorial](#) to explain how the process works and what you need to do if you wish to raise a Trading Dispute.

If you have any questions or feedback after watching the video, please send an email to [disputes@elexon.co.uk](mailto:disputes@elexon.co.uk).



## Brexit

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.

The rest of this European section assumes 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.



## III. Industry News

### European and Brexit Developments

The summer months are traditionally quiet for European developments and August 2019 has been no exception.

### Regulation on Energy Market Integrity and Transparency (REMIT)

In its Quarterly REMIT Report published on 30 July 2019, ACER announced that no changes to electronic inside information formats would be required in 2019, despite having earlier consulted on changes. The changes 'have been postponed until further notice' due to lack of ACER resources. The format changes are still being planned for a later, as yet unknown, date.

### Testing the Project TERRE and wider Balancing Mechanism Access software

ELEXON has confirmed the arrangements for testing the software platform to allow wider access to the GB Balancing Mechanism (BM) and participation in Project TERRE. Read [the full news article](#) on our website. We have published a [document explaining the industry testing approach and strategy](#). If you would like to take part in the testing please contact us at [TERRE.testing@elexon.co.uk](mailto:TERRE.testing@elexon.co.uk)





## Wider market access and Project TERRE standalone release circular

On August 19 ELEXON published a release circular to notify interested parties of the latest versions of the BSC Configurable Items (CIs) that it is amending under [CP1517](#) to give full effect to [P344](#) Final Implementation. Modification P344 allows Virtual Lead Parties to register secondary Balancing Mechanism Unit (BM) units so they can participate in Project TERRE. The release circular is available [on our website](#).

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Modification P344 allows Virtual Lead Parties to register secondary Balancing Mechanism Unit

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## Issue 69: Sign up for the Supplier Charges Review workshop

Issue 69 (Performance Assurance Framework Review) will be holding a workshop on **Thursday 19 September 2019**. For more information, see the [Issue 69 page](#) on our website or email [bsc.change@elexon.co.uk](mailto:bsc.change@elexon.co.uk) to sign up.

### Podcast on CP1519

'Treatment of Low Capacity Connections for Site Specific Line Loss Factor Calculations'

Chris Wood, a senior analyst in the BSC Change team, has recorded ELEXON's first podcast, to explain the consultation and proposal for CP1519.

You can find this on [the CP1519 page of our website](#). We want to make it as easy as possible for BSC Parties and other stakeholders to understand the issues we are working on, so we are trailing podcasts about the work we are doing on BSC Change.

We hope you find the podcast helpful, and if you have any feedback please get in touch with us at [communications@elexon.co.uk](mailto:communications@elexon.co.uk).





## Blackout (Demand Control Event)

A 46 minute Demand Control Event (DCE) occurred on Friday 9 August 2019. National Grid subsequently published a notice on BMRS on Wednesday 14 August 2019 to provide a total ‘top down’ Demand Disconnection Volume of 931MW (465.5MWh). This is National Grid’s initial calculated volume used by ELEXON to re-calculate BSC System Prices for the affected settlement periods. ELEXON is then required to facilitate a bottom up, more accurate calculation to determine the true Demand Disconnection Volume. The process involves Distribution System Operators identifying individual meters disconnected. Party Agents then recalculate a meter volume that would have occurred if the DCE had not happened. This includes the individual Half Hourly meters being adjusted manually.

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“...resulted in a smaller price change than might have been expected, of £0.25/MWh in two of the three Settlement Periods affected...”

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For the purposes of the Imbalance Price calculation, the volume of disconnections for affected Settlement Periods is included as an Offer priced at the Value of Lost Load (VoLL). As the type of event was declared (by National Grid) as an automatic Low Frequency Demand Disconnection (LFDD), a ‘System Operator Flag’ is applied to the Offer in each Settlement Period, so the Offer is repriced at the same price of the most expensive Unflagged Buy action in the pricing Stack. This resulted in a smaller price change than might have been expected, of £0.25/MWh in two of the three Settlement Periods affected (the third Settlement Period seeing no change at all). The total charges to be reallocated are therefore approx. £30,000.






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“Under the SEG any export volume for which a Supplier makes a tariff offering requires half-hourly capable metering and it must be registered for Settlement.”

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## Smart Export Guarantee and the BSC

[New secondary legislation](#) has now implemented the [Smart Export Guarantee](#) (SEG). Ofgem has also highlighted the [new scheme](#) that replaces the existing [Feed-in Tariff](#) (FiT) arrangements for new installations of small scale microgeneration. Ofgem will be providing guidance shortly on the new scheme.

Under the SEG any export volume for which a Supplier makes a tariff offering requires half-hourly capable metering and it must be registered for Settlement.

Under the BSC ELEXON has already provided guidance on BSC requirements on [microgeneration-and-the-balancing-and-settlement-code](#) and guidance on [Metering Demand Sites with generating equipment installed \(Import Export metering systems\)](#). Both guidance notes will be useful to Suppliers that qualify as SEG Licensees.

Please address any queries on the above to Kevin Spencer: [kevin.spencer@elexon.co.uk](mailto:kevin.spencer@elexon.co.uk)



### Issue 81: Looking for Workgroup Members

ELEXON raised Issue 81 'Determining the benefits of Run-up/Run-down rates and Last Time to Cancel Synchronisation (LTCS) publication on BMRS' on 12 June 2019 and ELEXON is seeking members to join the Issue Group. For more information, see the [Issue 81 page on our website](#) or email [bsc.change@elexon.co.uk](mailto:bsc.change@elexon.co.uk) to sign up.

## Issue 85 raised

On 27 August 2019 TMA raised Issue 85 'Removal of obligation to visit de-energised sites once every 12 months from BSCP504' and ELEXON will be holding the first Issue Group in September.

Further information can be found on the [Issue 85 page](#) of our website.

If you would like to join the Issue 85 Workgroup please contact Danielle Pettitt on 020 7380 4314 or email [bsc.change@elexon.co.uk](mailto:bsc.change@elexon.co.uk).





### Guidance in the event of the Capacity Market Restart now published on the EMRS website

On behalf of the [Electricity Settlements Company \(ESC\)](#), EMRS would like to inform Suppliers and Capacity Providers that they have published a new guidance document 'G22 - Capacity Market Restart' on the [EMRS website](#). This guidance document explains the necessary technical amendments to the Capacity Market Rules and Regulations to allow for the restart of the Capacity Market.

Included in these amendments are the changes to allow for the collection of Supplier Charges from Suppliers and payment of Capacity Payments to Capacity Providers to cover the Standstill Period once the CM Market restarts, as well as other amendments to allow for the restart of the Capacity Market.

## IV. Operational News

### TLF values for the Autumn 2019 Season

The Balancing Mechanism (BM) Unit Specific Transmission Loss Factor (TLF) values for Year 2019-2020 Autumn are available on the TLFs Determination page (under 'BM Unit Specific Transmission Loss Factors (TLFs)' on the [ELEXON Portal](#)). This file provides the TLF for each BM Unit that is registered to be active during the period **1 September 2019 to 30 November 2019**. The file will be updated as a result of any subsequent BM Unit registrations and/or de-registrations that will be effective during this period. ELEXON will change the version number in the file name whenever the content changes in the file.

### EMR Update

The following EMR Circulars have been issued since the last Panel meeting:

- + EMRC185: Capacity Market Restart Guidance Published
- + EMRC186: Clarifications on Capacity Market Units providing Relevant Balancing Services

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





## V. Settlement Reform and support for Ofgem projects

### Design Working Group reconfirms transition approach for Target Operating Model

The ELEXON-led Design Working Group (DWG) has reconfirmed its approach for transitioning from the current electricity Settlement arrangements to its preferred Target Operating Model (TOM) for Market-wide Half Hourly Settlement (MHHS). Read the [full news article](#) on our website. [Headline Report \(meeting 19\) 17 July 2019](#). [DWG webpage](#).

## VI. Industry Codes

### BEIS/Ofgem Review of Codes and Code Governance - Code body collaboration and consolidation

BEIS/Ofgem have issued their consultation on the Codes Review, which ELEXON has been considering. In addition the BSC Panel will be making a response of its own. Both will comment on the proposed introduction of a Strategic Authority, more empowered code managers, independence of decisions and consolidation and simplification. The extent of industry participation in the change process, in change decisions and in performance assurance (all proposed to be less than currently) will be a particular focus. The consultation is due for response by 16 September 2019. Separately ELEXON has arranged for meetings with BEIS and Ofgem to go through the detail of its Cornwall study on code consolidation and is preparing to publish a paper on how the Change process could be improved/expedited.

## Retail Energy Code (REC) Manager and Ofgem Switching Programme

ELEXON responded to the parts of the 'Switching Programme and Retail Code Consolidation: Proposed changes to licences and industry codes' consultation which related to REC governance and the Meter Point Administration Service (MPAS) at the end of July. ELEXON continues to work on the bulk of the questions for response by the 9 September deadline.

ELEXON met with Ofgem about the BSC Market Entry Processes, as Ofgem wanted to understand what they should be including in the REC.

ELEXON also met with some of the RECCo Board in July. RECCo's latest publication shows an intent to divide Code Manager services into Performance Assurance (incl. entry and exit as well as compliance), Professional Services (incl. change and training), and Technical Services (incl. design and impact assessment of change) see Appendix 1. The Performance Assurance provider will not be permitted to provide either of the other services. ELEXON observes that the identified benefit of dividing the service is to encourage more interest from providers but our view is this will introduce many handoffs between these providers and require a 'thicker' RECCo to integrate and manage them. An engagement day is scheduled for 11 September with the launch of the procurements end October/early November.

## Ofgem Code Administrator Survey

Ofgem launched its 2019 survey of Code Administrators in July. Latest information is that the results will be provided in September.

## Gas Performance Assurance Framework Administrator

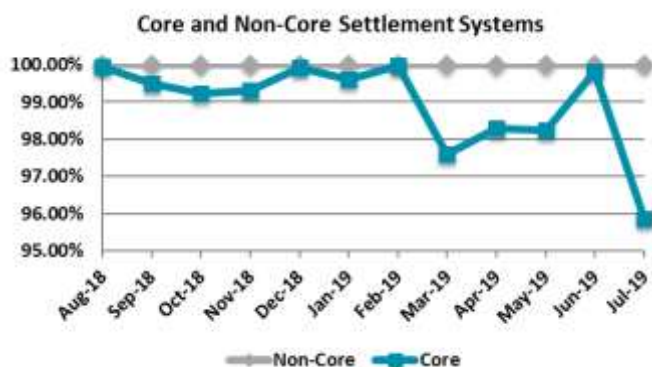
ELEXON anticipates that the Uniform Network Code Committee (UNCC) will instruct Xoserve to issue a tender for the Gas Performance Assurance Framework Administrator (PAFA) in September 2019. The initial contract, for which Gemserv provides services, comes to an end at the end of June 2020. ELEXON is still able to bid for the work, under the arrangements brought into the BSC under [P330](#).





## VII. Key Performance Indicators Spot Light

### Core and Non-Core BSC Systems



CGI performance deteriorated in July with an increase in incidents on the BSC Central Systems. There was an unusually long unplanned outage for BMRS which was unavailable for three hours on 16 July due to a communications network issue.

Following implementation of a new registration solution there were failures in generating SAA Settlement Reports to normal calendar timescales. The SAA files are used to determine BSC Trading Charges and although the SAA reports were delayed the FAA billing processes were operated on time. Other industry processes including Balancing Services use of System charging and for Electricity Market Reform billing are also dependent on this data. Though close to their deadlines there were no failures to the processes.

### Supplier Performance

We have experienced the following service failures this month:

#### Core Systems

**BMRA** - On 16 July 2019, there was an unplanned outage on the Balancing Mechanism Reporting Service (BMRS) between 13:00 (BST) and 16:00 (BST) and the BMRS website, API and TIBCO service were unavailable. This was due to a network issue on the common hosting infrastructure and resulted in failure of the BMRA SLAs.

One of the reports (B1610) was not published due to a sequencing issue; this was a failure of the BMRA availability.

**CRA** – The Salesforce integration layer introduced incorrect records in the CRA processes on 22 July which generated an incorrect registration report and a failure of CRA SLA.

**FAA** – There was an incident which impacted Credit calculations incorrect for 5 files (4 Party IDs) sent from FAA to ECVA on 16 July.

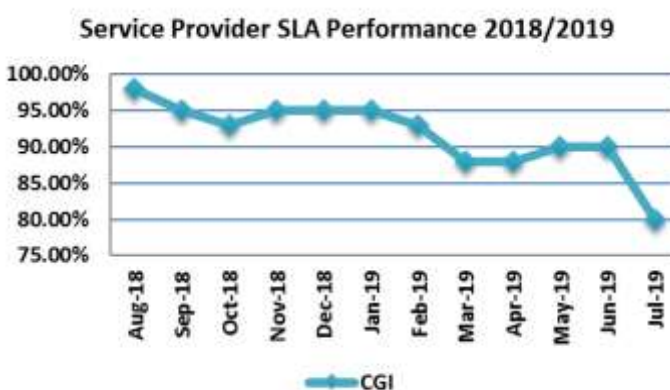
**SAA** – On 8 July, there was an incident where MVRN data was not included in the SAA I014 flow; 28 Settlement Reports had to be re-issued.

A second incident occurred and the Gate Closure files was not processed for 2 Settlement dates on 19 July.

As a consequence of the incorrect CRA Registration Report on 22 July, the SAA could not generate 15 Settlement Reports (SAA I0-14) and were not delivered to customers on time.

#### Non-Core Systems

**Service Desk** – The CRA and FAA incident impacted some of the Service Desk resolution SLAs



## VIII. Summaries of Panel Business – Tabled

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.

## IX. Recommendations

We invite the BSC Panel to:

- a) **NOTE** the contents of this paper.



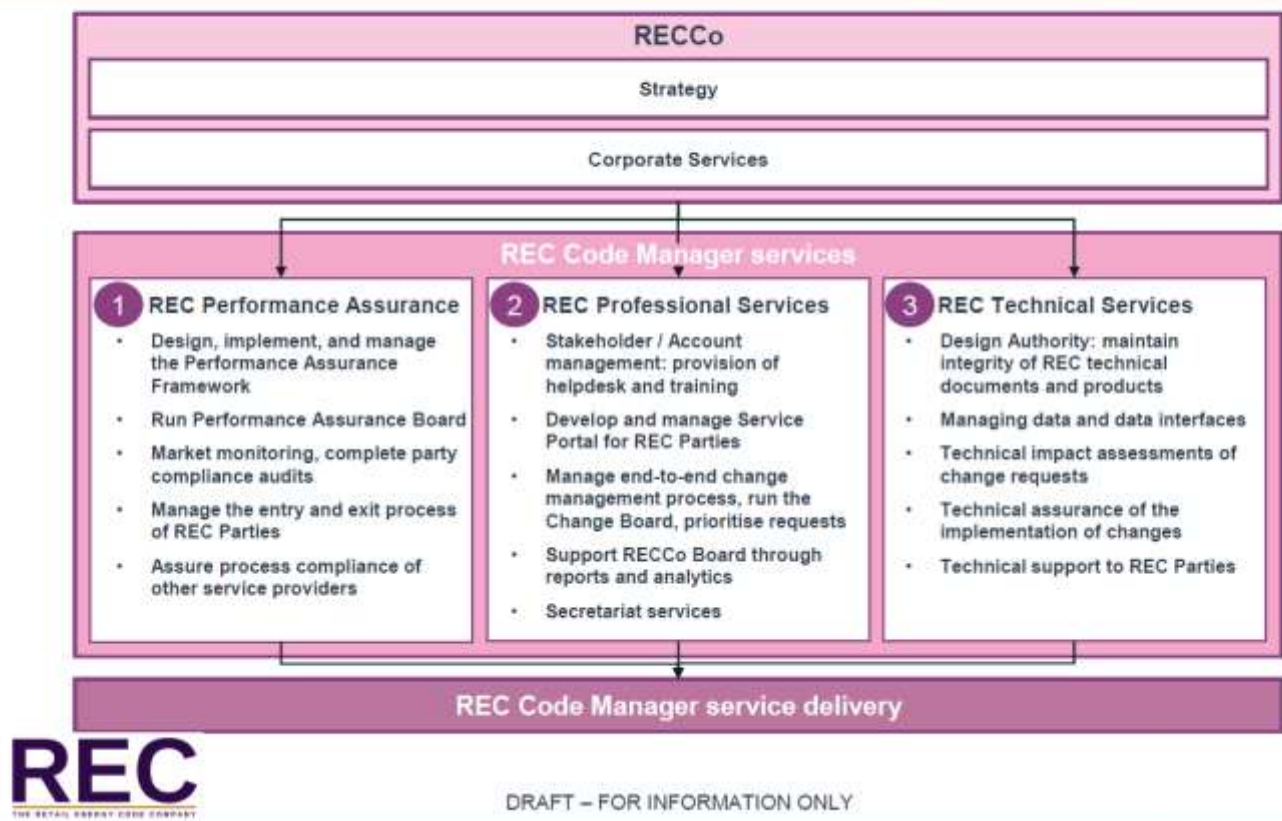
## Attachments

- |               |   |                                  |
|---------------|---|----------------------------------|
| 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              |



Appendix 1

# Overview of REC Code Manager capabilities





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