

MINUTES

MEETING NAME BSC Panel

Meeting number 294

Date of meeting Thursday 12 September 2019

Venue ELEXON Ltd. Offices – Pink Room

Classification Public

ATTENDEES AND APOLOGIES

Attendees	Michael Gibbons	MG	BSC Panel Chairman
	Colin Down	CD	Ofgem Representative
	David Lane	DL	DSO Representative
	Mark Bellman	MBe	Industry Panel Member
	Lisa Waters	LW	Industry Panel Member (and Alternate for Stuart Cotton)
	Diane Dowdell	DD	Industry Panel Member (and Alternate for Tom Edwards)
	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
	Victoria Pelka	VP	Consumer Panel Member
	Jon Wisdom	JW	NGESO Panel Member
	Mark Bygraves	MB	ELEXON CEO
	Nigel Perdue	NP	ELEXON Director of Operations
	Lawrence Jones	LJ	Modification Secretary (Part Meeting)
	Victoria Moxham	VM	Panel Secretary
	Jason Jackson	JJ	Panel and Committee Support Manager
	Elliott Harper	EH	ELEXON (Part Meeting)
	Nick Baker	NB	ELEXON (Part Meeting)
	Danielle Pettitt	DP	ELEXON (Part Meeting)
	Chris Wood	CW	ELEXON (Part Meeting)
	Roger Harris	RH	ELEXON (Part Meeting)
	Nicholas Rubin	NR	ELEXON (Part Meeting)
	Matt McKeon	MM	ELEXON (Part Meeting)
	Shadrack Nyarko	SN	ELEXON (Part Meeting)

Apologies

1.1 The Chairman noted apologies from Stuart Cotton, Tom Edwards and Mitch Donnelly.

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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 – (294/03)

- 2.1 The NGESO representative provided an update on a number of the Connection and Use of System Code (CUSC) Modifications referenced within the Change Report.
- 2.2 ELEXON highlighted the new graph of BSC Modification progression times it had added to the Change Report. The BSC Panel discussed the graph and potential improvements. ELEXON agreed to include pending decisions and to consider whether error bars or similar could help show the range of progression times.
- 2.3 The BSC Panel discussed Modification [P332](#) 'Revisions to the Supplier Hub Principle' which was highlighted during the Change Report presentation.
- 2.4 The BSC Panel agreed that ELEXON would write a letter to Ofgem on behalf of the Panel detailing the changes to the scope of P332 since it was originally raised. The letter should also request clarification in respect of which elements of the new scope would and would not fall within scope of any of Ofgem's work programs or Significant Code Reviews. It should also ask for advice on whether the issue the Modification sought to address was still valid and whether the Modification should now be progressed, and whether its scope would need to be further revised if it were to be progressed.

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- 2.5 The BSC Panel agreed to a one month extension in order to allow time for Ofgem's clarification.
- 2.6 The BSC Panel Chairman noted the delay to Ofgem's approval of Modification [P361](#) 'Revised treatment of BSC Charges for Lead Parties of Interconnector BM Units' and that it was ELEXON's view that the Modification had now timed out. The Panel noted that the date by which a decision was required (31 August) in order to achieve implementation within the 2019/20 year had passed.
- 2.7 The Ofgem Representative acknowledged the length of time it had taken for Ofgem to reach a decision, having received the Panel's recommendation in July 2018. ELEXON and Ofgem had recently been discussing this matter internally and were working with their respective Legal Teams in order to establish the most efficient way to progress things. The Ofgem Representative noted that Ofgem expected to reach a decision on how to proceed within a week of the September 2019 BSC Panel meeting.
- 2.8 The Panel discussed the implications of the Modification having timed out, what its implementation date might reasonably be and the impact of having to restart the Modification process. The NGESO Panel Member noted that it would be helpful if it was clear by the next BSC Panel meeting what the way forward would be. ELEXON agreed to confirm whether the February 2020 Implementation Date was still achievable.
- 2.9 *Post Meeting Note: ELEXON can now confirm it is not achievable and will need to re-assess when it can be delivered.*
- 2.10 ELEXON presented an approach for progressing Modifications recommended by the PAF Review. Although each recommendation would be assessed on a case by case basis, it was agreed in principle that Modifications recommended by PAB from the PAF Review would go straight to the Report Phase as Self-Governance Modifications.
- 2.11 ELEXON asked the Panel whether they saw any value in including an estimate of Workgroup effort and industry effort in responding to consultations in Modification reports. The BSC Panel agreed that while there would not be value in including this within every Modification Report, there would be value perhaps annually and ELEXON suggested to include it in the BSC Annual Report. The BSC Panel also recommended that the inclusion of a breakdown of the time and costs expended progressing Modifications through the BSC within

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ELEXON's response to the BEIS/Ofgem Code Governance Review consultation might help those responsible for the review better understand the resource commitment required to manage industry change processes. MB suggested that the BSC Panel may wish to note the request for ELEXON to undertake this analysis within its response to the BEIS/Ofgem consultation. ELEXON noted that it would seek to align its methodology for undertaking this analysis with that used by the Grid Code. ELEXON agreed to provide the industry effort over the last 2-3 years for BSC Modifications at the next Panel meeting for information.

2.12 The BSC Panel:

- a) **APPROVED** a one-month extension to the P332 Assessment Procedure;
- b) **NOTED** the P361 update;
- c) **AGREED** in principle to the approach for PAF Modifications;
- d) **DECIDED** whether to include the estimated industry costs in Modification Reports; and
- e) **NOTED** the contents of the September Change Report.

3. **P383 'Enhanced reporting of demand data to the NETSO to facilitate CUSC Modifications CMP280 and CMP281' – (294/14)**

3.1 The Panel Chairman noted the action on the NGESO Panel Member to provide an update on this Modification and its interactions and dependencies with respect to CMP280 and CMP281. The NGESO Panel Member noted that the changes were not only dependant on changes to Information Systems (IS) but that there would also be interactions with tariff and billing changes in respect of the associated sites. He also raised concerns over the letter Ofgem published the week before the September 2019 Panel meeting indicating that final demand and storage should also be included within the solution and highlighted the risk of inefficiencies driven by layering future changes on top of this change given the costs involved. The BSC Panel decided that P383 should be assessed against the current baseline and not a future baseline which is still unclear. The BSC Panel agreed that the solution would still deliver benefit and that it should be progressed to address the existing issues more quickly.

3.2 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) **APPROVED** an Implementation Date of:
 - i) 1 April 2021, to align with related CUSC Modifications;
- c) **APPROVED** the draft legal text P383; and
- d) **APPROVED** the P383 Modification Report.

4. **P389 Resolution of Capacity Market and Balancing Mechanism registration conflicts DMR – (294/04)**

4.1 ELEXON noted that it had received the required written confirmation from the Secretary of State.

4.2 The BSC Panel:

- a) **AGREED** that the P389 Proposed Modification:
 - i) **DOES** better facilitate Applicable BSC Objective (d); and

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- ii) **DOES** better facilitate Applicable BSC Objective (f);
- b) **DETERMINED** (in the absence of any Authority direction) that P389 is a Self-Governance Modification Proposal;
- c) **AGREED** a recommendation that P389 should be approved;
- d) **APPROVED** an Implementation Date of:
 - i) 7 November 2019 as part of the November 2019 Release;
- e) **APPROVED** the draft legal text; and
- f) **APPROVED** the P389 Modification Report (with the inclusion of BEIS's written consent).

5. **P374 'Aligning the BSC with the EBGL change process and derogation approach' – (294/12)**

- 5.1 The Panel Chair and NGESO Panel Member highlighted the importance of achieving an efficient and streamlined EBGL change process solution. The NGESO Panel Member reiterated NGESO's intention to bring forward a new Modification to reflect delegations of its Article 18 responsibilities. The NGESO representative highlighted this further Modification would deliver the efficient EBGL and BSC change process for the benefit of all market participants.
- 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:
 - i) **DOES** better facilitate Applicable BSC Objective (c); 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** a recommendation that the P374 Alternative Modification should be approved and that the P374 Proposed Modification should be rejected;
 - e) **APPROVED** an Implementation Date for the Proposed Modification of:
 - i) 5WDs following Authority decision;
 - f) **APPROVED** an Implementation Date for the Alternative Modification of:
 - i) 5WDs following Authority decision;
 - g) **APPROVED** the draft legal text for the Proposed Modification;
 - h) **APPROVED** the draft legal text for the Alternative Modification; and
 - i) **APPROVED** the P374 Modification Report.

6. **P371 'Inclusion of non-BM Fast Reserve actions into the Imbalance Price calculation' – (294/13)**

- 6.1 The NGESO Panel Member noted an expectation that NGESO's requested delay to the Trans European Replacement Reserves Exchange (TERRE) product go-live date would be approved by the Authority. In such case, the NGESO representative confirmed NGESO would write to the BSC Panel to request an extension to the P371 Implementation Date, in order that P371 system development doesn't impact the development of the systems to support the TERRE product.

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- 6.2 Following an action from the previous meeting for NGESO to further clarify its system development costs, the NGESO Panel Member highlighted that four systems would require changes to enable the inclusion of non-BM Fast Reserve actions in the Balancing Services Adjustment Data (BSAD) file. Due to the implication of multiple systems, there are higher costs for testing to ensure the solution functions correctly. They also noted that the Workgroup had considered a breakdown of the costs as part of its discussions, and agreed to consider whether further detail on NGESO's costs could be shared with the BSC Panel for future Modifications.
- 6.3 A Panel member commented on the perceived lack of transparency of how the NETSO managed the system. The NGESO Panel Member acknowledged this and commented that following [Issue 74 'Increased utilisation of non-BM STOR'](#), it is investigating how this could be improved.
- 6.4 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** a recommendation that P371 should be approved;
 - c) **APPROVED** an Implementation Date of:
 - i) 25 June 2020 if Authority decision received by 31 December 2019;
 - d) **APPROVED** the draft legal text;
 - e) **DETERMINED** (in absence of any Authority direction) that P371 is not a Self-Governance Modification Proposal; and
 - f) **APPROVED** the P371 Modification Report.

7. Introducing Desktop Audits – (294/05)

- 7.1 The Panel Chairman queried whether the intention of introducing Desktop Audits was to reduce the number of site visits or for these to be undertaken as additional work. ELEXON advised that this would be determined through the setting of the annual Technical Assurance Agent (TAA) Audit scope which would be done by the Performance Assurance Board and that this had not been done yet.
- 7.2 A PM expressed concern that certain issues can only be identified by undertaking a physical inspection of Metering Equipment on site. ELEXON noted that Desktop Audits would not be considered a replacement for site visits but that they might indicate where there might be an issue and that a site visit would then be arranged.
- 7.3 The DSO Representative noted concern over information security in respect of the TAA dialling Metering Systems in support of Desktop Audits. ELEXON noted that this would not be done as any data required would be sourced through the Central Data Collection Agent (CDCA) or the appointed Data Collector (DC).
- 7.4 The Panel Chairman noted that the new approach to the TAA meant that ELEXON could take a more targeted approach. The BSC Panel agreed that it would be sensible for the PAB Chairman to report back to the BSC Panel on the effectiveness of the new Desktop Audits after one year of operation.
- 7.5 The BSC Panel:
- a) **RAISED** this Modification Proposal in accordance with Section F2.1.1(d)(vi);
 - b) **AGREED** that this Modification Proposal progresses directly to the Report Phase;
 - c) **AGREED** that this Modification Proposal DOES better facilitate Applicable BSC Objective (d);

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- d) **AGREED** an initial recommendation that this Modification Proposal should be approved;
- e) **AGREED** an initial Implementation Date of 27 February 2020 (February 2020 BSC Release);
- f) **AGREED** the draft legal text;
- g) **AGREED** the draft redlined changes to Code Subsidiary Documents;
- h) **AGREED** an initial view that this Modification Proposal should be treated as a Self-Governance Modification; and
- i) **NOTED** that ELEXON will, subject to Panel agreement, issue the Report Phase Consultation, including the draft BSC legal text, for a 10 Working Day Report Phase Consultation and will present the results to the Panel at its meeting on 10 October 2019.

8. **P390 'Allowing extensions to ELEXON's business and activities, subject to additional conditions' – (294/06)**

- 8.1 The Chair offered to stand aside and hand Chairing responsibilities to PH for this item, but the Panel did not think it necessary.
- 8.2 ELEXON noted that the Workgroup considering this Modification would seek to verify that the safeguards recommended within the proposed solution were sufficient. The DSO Representative noted their support for the Modification and suggested that the Workgroup should consider meeting more frequently than once annually particularly if there was a significant decision taken in respect of new business and activities.
- 8.3 The BSC Panel suggested that the Workgroup should also consider the role of the BSC Panel and industry in respect of decisions being made on new business and activities to be undertaken by ELEXON. The Panel noted its concern that the removal of a Board Member might be too extreme a deterrent to be utilised in certain cases and recommended that the Workgroup also consider other ways in which ELEXON could be held accountable to the BSC Panel and industry in respect of new business and activities it engaged in.
- 8.4 A PM queried whether there were specific pieces of work ELEXON anticipated coming up which would be in scope of this Modification. The Ofgem representative noted the omission of one of the four conditions previously identified by Ofgem for new business ELEXON had engaged in, namely that ELEXON's BSC role should not give it any undue competitive advantage in a contestable activity.
- 8.5 MB noted that there was not any specific work coming up which ELEXON had in mind but that in the context of the Code Governance Review there may well be new areas of business or new activities which it would benefit the industry for ELEXON to undertake. ELEXON had also discussed the fourth condition with Ofgem, questioning whether this meant ELEXON could not apply its experience of providing services under the BSC to other service areas.
- 8.6 MB noted that, prior to the Modification being raised, ELEXON had discussed with the proposer to identify what new conditions should be introduced to give the industry comfort that any work undertaken would be to its benefit. MB noted that ELEXON did not want to introduce a robust set of conditions and criteria only to have to consult with industry ahead of taking on any new business or activities as this would defeat the purpose of the Modification as it would mean that new business and activities couldn't be engaged in any more quickly than currently where ELEXON is required to raise a new Modification.
- 8.7 The Panel Chairman noted in respect of ELEXON Board accountability that significant progress had been made in defining the responsibilities and accountability between the BSC Panel, ELEXON Executive and Board. Should the BSC Panel or industry wish to submit an opinion to the Board he reassured the Panel that the Board would be keen to take account of it.
- 8.8 All recommendations were unanimously approved, subject to a PM's comment in respect of the expertise of Workgroup Members with expertise in tendering processes and oversight and scrutiny.

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8.9 The BSC Panel:

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

9. **Issue 84 Final Report 'Enable the cost recovery of the Radio Teleswitch Service (RTS) arrangements extension' – (294/07)**

- 9.1 The Consumer Panel Member queried whether the approach recently approved through the Distribution Connection and Use of System Agreement (DCUSA) to randomise switching times for boilers and storage could be replicated with smart Meters even in instances where communicating with the Meter isn't possible, thereby negating the need for the RTS.
- 9.2 A PM noted that while it would be possible to randomise switching times through smart metering even where Meters are out of communication, the RTS also responds to changes in temperature which smart Meters without working comms could not replicate.
- 9.3 Other Panel Members suggested that smart Meters could not fully replicate load switching functionality at the current time, echoing the rationale for assessing the market issue under Issue 84. ELEXON noted that it would capture the BSC Panel's discussion within the final Issue Report for completeness.
- 9.4 The BSC Panel:
 - a) **NOTED** the Issue 84 Report; and
 - b) **SUPPORTED** a contract change between ELEXON and the ENA for the recovery of operational RTS costs under the BSC.

NON-MODIFICATION BUSINESS (OPEN SESSION)

10. Minutes of Meeting 293, 293A, 293B and Actions arising

- 10.1 The Panel approved the minutes for the August BSC Panel meeting 293 and those for urgent BSC Panel meetings 293A and 293B.
- 10.2 ELEXON provided the updates within the [public BSC Panel Action log](#) for BSC Panel meeting 294.
- 10.3 In respect of Action 1 within the action log the NGESO Representative noted that due to concerns over National Security the relevant specifications would be provided on request and that interested parties should get in touch via their contract manager. He also advised that details were available in a recent QA document published by the NGESO. A PM requested that this document is circulated. The Panel Chairman queried when the timeline for industry TERRE testing would be known. The NGESO Representative could not provide a timescale.

11. Chairman's Report

- 11.1 The Panel Chairman noted the appointment of a new Chair to the Low Carbon Contracts Company (LCCC). He highlighted a new Labour Party document which detailed its plans for National Grid. The Panel Chairman noted the new Energy Minister's questioning in a recent newspaper interview of the role of the ESO and the appropriateness of its sitting within National Grid and observed this may be the government's response to the Labour Party's nationalisation demands.

12. ELEXON Report – (294/01)

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- 12.1 MB talked through some of the highlights within the new and improved [ELEXON Report](#) for the September 2019 BSC Panel meeting. Specifically highlighted were:
- i) The Energy Industries Club lunchtime meeting;
 - ii) ELEXON's new digital platform which aims to provide a better customer experience;
 - iii) The recommendations of the Energy Data Taskforce and ELEXON's plans to implement them;
 - iv) The Demand Control Event which was discussed in detail later in the Panel meeting; and
 - v) The Retail Energy Code (REC) Board, RECCo and plans to split the REC Manager role into three independent services.
- 12.2 The BSC Panel discussed the plans for splitting the REC Manager role across three separate service areas at length and agreed that this was not in line with the principles of simplification or consolidation which Ofgem had indicated should underpin the strategy for future development and change within the industry and code governance space. The BSC Panel also raised serious concerns over potential for introducing risks via multiple hand offs which also introduced the need for an integrator role, plus a disincentivization of co-operation between code managers should the roles be competitively tendered independently of one another.
- 12.3 ELEXON noted that it shared these concerns and that it had raised them with Ofgem at a recent meeting with Ofgem and that Ofgem had advised that it had not directed the structure which had been developed for the RECCo. A PM suggested that since the industry would be funding this and that it was going in a different direction to that indicated within the consultation it might be appropriate for Ofgem to consult with the industry on this new approach. The BSC Panel also expressed concern over the apparent lack of transparency over the decision making process and governance being employed by the REC Board.
- 12.4 A PM queried the direction of travel in respect of the ongoing issues highlighted within ELEXON's operational KPIs. NP acknowledged the issue and noted that teething issues were to be expected with any large scale system change. MB noted that this was being taken extremely seriously by the ELEXON executive and that it would be meeting next week with the CEO and Global President of the service provider responsible for the decline in the relevant KPIs.
- 12.5 The BSC Panel:
- a) **NOTED** the contents of the paper.

13. Distribution Report – Verbal

- 13.1 Nothing to report.

14. National Grid Report – Verbal

- 14.1 The NGESO Representative noted that National Grid would be submitting its response to the BEIS/Ofgem Code Governance Review consultation.
- 14.2 The NGESO Representative also noted that the NGESO had introduced a system change to enable faster dispatch and identification of the lowest cost resources to meet demand.
- 14.3 The NGESO Representative also referenced a new CUSC modification which would look at options for rezoning in respect of price control.

15. Ofgem Report – Verbal

- 15.1 The Ofgem Representative noted the following highlights at the September 2019 BSC Panel meeting:
- i) Regulation on Energy Market Integrity and Transparency (REMIT) action against Engie.

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Ofgem had fined Engie Global Markets (EGM) ~£2.1 million after it found that Engie had manipulated wholesale gas prices to increase trading profits. Manipulation was through a trader working in the name and on behalf of Engie.

- ii) In November 2018, Ofgem published its minded-to decision on the Targeted Charging Review (TCR) covering proposed reforms to residual charges and non-locational Embedded Benefits. In June 2019, it consulted on a number of related items.

Ofgem received over 130 responses to its minded-to decision, and a further 23 representations to its June consultation.

Having considered these responses, ahead of making a decision Ofgem wanted to update stakeholders on refined proposals for reform of residual charges and provide the opportunity to comment on them. This consultation closes 25 September 2019.

- iii) Ofgem published a Future Insights paper on the development of Flexibility Platforms in the GB electricity system. The paper looks at the opportunities and challenges that stakeholders are likely to face.
- iv) Ofgem published a decision confirming its approach to the funding model for the ESO. It was also consulting further on two aspects of the ESO's RIIO-2 price control. This consultation also closes 25 September 2019.

- 15.2 A PM requested that the Ofgem Representative look into Generation Storage Licences to ensure that it would not be forcing storage providers to become Capacity Market parties.

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16. Reports – 294/01B, C, D, E

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

17. Trading Operations: BSC Operations Headline Report – (294/02)

- 17.1 The Panel noted the [BSC Operations Headline Report](#).

18. System Price Analysis Report (SPAR) – ISG 220

- 18.1 The Panel noted the [System Price Analysis Report](#).

19. Investigations into NIV Chasing in GB Electricity Market – (294/09)

- 19.1 The BSC Panel discussed the findings of the analysis presented. ELEXON noted that the practice of Net Imbalance Volume (NIV) chasing could be profitable for traders and that it was technically compliant under the BSC. The BSC Panel considered whether the types of parties engaging in this activity might have an undue competitive advantage for any reason.
- 19.2 A Panel Member challenged the assertion within the paper that NIV chasing would increase balancing costs for the National Grid Transmission System Operator (NETSO). The BSC Panel agreed that there was insufficient evidence to confirm this was the case and that the practice may in fact reduce balancing costs.
- 19.3 A PM noted that the paper had not been able to explore whether any embedded Generators were engaged in this practice as the data to investigate this was not available.
- 19.4 A PM suggested that if Interconnectors were engaged in this practice as suggested by the paper, they may be in breach of the Grid Code and should be reported to Ofgem. The NEGESO Representative took an action to investigate the PM's concerns regarding interconnectors and to confirm whether NIV chasing has a systemic impact on balancing costs. The NEGESO Representative noted that they would engage with ELEXON to progress this.

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- 19.5 A PM challenged that it would be impossible to understand this issue fully given the lack of transparency over actions taken by embedded Generators.
- 19.6 NP noted that this analysis and investigation had already cost a lot of time and resource. If further work is to be done it should be clearly justified that it is to the benefit of industry and relevant to the BSC arrangements. NP suggested that this work may be more relevant to the NGESO. A PM suggested that the investigation could be limited in scope to exploring whether the actions of non-physical traders are increasing balancing costs. The Panel Chairman confirmed that ELEXON and the NGESO would explore whether there was a cost effective way to find a high level answer to this question.
- 19.7 The BSC Panel:
- a) **NOTED** the information provided in this paper.

20. Cost of Access to Data – (294/16)

- 20.1 The BSC Panel discussed and agreed the reasonableness of the revised charges. Consideration was also given to the cost to ELEXON and therefore industry of providing the data items the paper proposed to be provided for free via the ELEXON portal. The BSC Panel agreed that this approach was in line with the recommendations of the Energy Data Taskforce.
- 20.2 The BSC Panel:
- a) **NOTED** that ELEXON intends to reduce the charges for receipt of P30, P114 and P315 data flows under the existing data provision service from £3,000 to £1,500 p.a.;
 - b) **APPROVED** the creation of an interim service whereby any person could access the data currently available under P30, P114 and P315 via the ELEXON portal under the same Open Data Licence currently applied to data available on the BMRS;
 - c) **NOTED** that ELEXON would not make a charge for any person to access this data via the temporary service; and
 - d) **NOTED** that ELEXON intended to bring a paper to the October 2019 Panel addressing wider issues on Open Data arising from the EDTF report.

21. Changes to the CAP Review Process – (294/08)

- 21.1 The BSC Panel:
- a) **NOTED** that no responses were received to the consultation on the changes to the CAP Review Process; and
 - b) **APPROVED** the amended version of the Credit Assessment Price (CAP) Review Guidance document included in Attachment A for implementation from 1 October 2019.

22. Blackout (Demand Control Event) – Verbal

- 22.1 ELEXON talked through the events surrounding the Demand Control Event (DCE) which occurred on 9 August 2019 and the obligations on ELEXON introduced by Modification [P305](#) 'Electricity Balancing Significant Code Review Developments'. ELEXON noted that its view was that undertaking the process mandated by P305 would not be an efficient use of ELEXON or industry resource given the scope of the DCE but that it had received direct instruction from Ofgem to carry out its obligations under the BSC and therefore planned to continue processes which were currently paused.
- 22.2 The BSC Panel discussed the potential cost to industry and the resource ELEXON and industry would need to commit to meeting these obligations and agreed that these far exceeded the benefit to industry of

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implementing these processes. The BSC Panel raised and discussed various specific and anecdotal examples which illustrated that the value of the Settlement volumes to be recalculated (which was estimated to sit between £15k and £30k smeared across the entire market) would be far outweighed by the costs of calculating the volumes for recalculation. ELEXON noted that its estimate for the costs to ELEXON and the market of undertaking these calculations was well in excess of £300k following Party Agent feedback. This was due to procedures that included the manual recalculation of consumption for each half hourly metered site that was disconnected.

- 22.3 The BSC Panel instructed ELEXON to cease operation of this process and agreed to write a letter to Ofgem requesting clear advice indicating why resuming operation of the processes, if that remains Ofgem's view, would be in the best interest of consumers, the industry or efficiency.

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- 22.4 Through its discussion the BSC Panel came to the view that:

- i) Operating this process would not be in the best interest of consumers, who would likely be impacted to a greater extent by the costs of operating this process than from not doing so;
- ii) The intention of P305 was to correct metered positions and in cases with a significantly high System Price, prevent windfall gains by Suppliers from such a DCE. In this instance there was very limited impact to Settlement from windfall gain as a result of the Friday 9 August 2019 DCE; and
- iii) A de-minimis threshold was not considered when the P305 solution was implemented which has meant that in this instance there was little value in operating the solution which would ultimately result in higher costs to the consumer.

- 22.5 The BSC Panel also agreed that in order to ensure that processes were efficient for future operation, ELEXON should raise a BSC Issue to work with industry in identifying changes to improve the current processes. This should give consideration to introducing a de-minimis threshold for DCE and the impact to embedded Generators.

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23. Next Meeting

- 23.1 The next meeting of the BSC Panel will be held at the offices of ELEXON Ltd, 350 Euston Road, London NW1 3AW on **Thursday 10 October 2019**.