

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 developing richer customer relationships.

Simplification & Consolidation

Reducing complexity and fragmentation.

Digital Platform

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

300/01 ELEXON Report BSC Panel

Date of Meeting	12 March 2020
Paper Number	300/01
Owner/Author	Mark Bygraves
Purpose of paper	For Information
Classification	Public
Summary	ELEXON provides this paper for the Panel's information. The paper presents an overview of activities and developments within ELEXON, the balancing and settlement arrangements, industry and Codes.

Executive Summary

We've published an article detailing ELEXON's support for a new electricity flexibility exchange.

Interested parties are invited to let us know if they wish to participate in industry testing for Project Trans European Replacement Reserves Exchange ([TERRE](#)).

We've introduced a new BSC Service Desk Web Form as part of improving communications between our customers and the BSC Service Desk.

We've initiated a review of the Trading Disputes process.

The usual updates on EU developments include information regarding:

- i) Progress on the Electricity Balancing Guideline (EB GL)
- ii) the UK's exit from the European Union
- iii) National Grid ESO Delegation of EBGL tasks to ELEXON and the BSC Panel
- iv) New European Network Codes

Energy UK has published lessons learnt for generators following the electricity supply interruptions on 9 August 2019.

We also provide an update on Ofgem's Market Wide Half Hourly Settlement (MHHS) and the work ELEXON is undertaking to support its delivery.

Target Audience

ELEXON's customers and the wider industry.



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II. ELEXON News

Consultation Responses

We have responded to 1 consultation since our last update to the Panel as follows:

- Electralink's consultation on DCP350, which seeks to require the DNOs to create a national, public register of all sites that use their networks
 - + Our response supports the provision of increased information on embedded generation >1MW as it can lead to charges being more cost reflective, aid the operation of the system, and aid parties in deciding where best to locate their assets.
 - + The current proposal is for each DNO to create and publish their own register of embedded generation, which would create fragmentation of the data. We suggest that it would be better to send the registers to ELEXON for publication on BMRS, thus keeping BMRS, where the data is readily accessible, the central hub for industry information.

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





ELEXON's support for new electricity flexibility exchange

ELEXON is providing support to technology company Electron which has been awarded funding to trial an exchange where offers of electricity flexibility can be traded.

Flexibility generally includes offers to provide 'demand side response' where consumers reduce or increase consumption when asked to do so by a network owner or supplier. They do this in exchange for payments or other benefits.

Distributed generators, battery storage, and electric 'vehicle to grid' technology are other examples of where flexibility can be used to help keep the electricity system in balance. Read [the detailed article](#) on our website.

Call for Distribution Network representative to join the Imbalance Settlement Group (ISG)

ELEXON is looking for a new Distribution Network representative to sit on the BSC Panel Sub-Committee, the Imbalance Settlement Group. If you, or one of your colleagues might be interested please submit an application through the [online application form](#) on our website or contact Iain.Nicoll@elexon.co.uk to discuss what is required.



Let us know if you want to participate in industry testing for Project TERRE

In the coming weeks we will be publishing our joint Project TERRE industry testing strategy with National Grid Electricity System Operator. It will explain our approach to TERRE testing and how interested parties can take part, ahead of the scheduled go live in June 2020.

If you are interested in participating in industry testing for TERRE, or want to hear more about what is involved, please email TERRE.testing@elexon.co.uk.

For more information about Project TERRE visit [our hub page](#). Wider information (including an explanation of the European Electricity Balancing Guideline) is also available on the [European Network of Transmission System Operators for Electricity \(ENTSO-E\) website](#). ENTSO-E represents 42 electricity transmission system operators (TSOs) from 35 countries across Europe.



Review of the Trading Disputes Performance Assurance Technique

We are reviewing the Trading Disputes Performance Assurance Technique (PAT). The aim of the review is to identify processes that require refinement and to ensure that Trading Disputes processes are sufficient to accommodate changes that will be proposed when the industry moves to market-wide Half Hourly Settlement. Further information on the review is available in this [news article](#).

ELEXON BSC Service Desk Web Form

As part of improving communications between our customers and the BSC Service Desk, ELEXON has introduced a web form that will be hosted on the [ELEXON website](#) for customers to use to raise requests with the BSC Service Desk.

The web form will help structure the request in a more standardised format which will ensure the relevant information is being provided to the Service Desk. This should lead to faster resolution of the tickets. We encourage all customers to start using this web form and in time we will phase out the email requests to the Service Desk. If you have any comments or feedback please contact Service Management Analyst, [Anish Narayan](#).

Credit Assessment Load Factor (CALF) values for the Summer 2020 BSC Season: 1 May 2020 appeal deadline

If you are the Lead Party of a non-Credit Qualifying Balancing Mechanism Unit (BMU), you can appeal an assigned CALF value if you believe it does not accurately represent your expected activity.

To raise an appeal, please complete the CALF Appeals proforma in Appendix 7 of the [CALF Guidance document](#) and email it to bscservicedesk@cgi.com by 1 May 2020. To find out more about CALF appeals, please see Section 12 of the CALF Guidance document.

Draft D0095 Calendar for the 2020/21 Settlement Year: Published

We have published the Draft D0095 2020/21 Calendar in the Settlement Calendars folder on the [ELEXON Portal](#). To find the calendar on the Portal, after logging in search for 'Settlement Calendar' and see the last entry on the results list.

Radio Teleswitch Service Cost Recovery Implementation Update

ELEXON has signed contractual arrangements with the Energy Networks Association (ENA) to allow operational cost recovery for the radio teleswitch service (RTS) within the Balancing and Settlement Code (BSC) charging arrangements from 1 April 2020.

At the end of July 2019 after being informed that RTS operational cost recovery arrangements were not confirmed from April 2020, ELEXON convened the [BSC Issue 84](#) Workgroup to develop a new solution with industry participants.

The Workgroup agreed that these costs could be included within the BSC charging arrangements through a contract between ELEXON and the ENA and the 2020/21 Business Plan and budget included the additional £1.4m.





III. Industry News

European and Brexit Developments

The UK left the European Union at 11pm on 31 January 2020. However, during the remainder of 2020 (the Transition Period) we continue to be bound by EU laws and decisions.

Formal UK–EU future trade agreement negotiations commenced on 2 March 2020.

In the rest of this European section, we continue to assume compliance with EU electricity laws during 2020. We note the beyond-2020 requirements in current EU electricity laws which may or may not apply to GB, dependent on the outcome of the negotiations.

Electricity Balancing Guideline (EB GL)

At the time of writing, we understand that ACER will publish a public consultation on imbalance settlement harmonisation (and two other proposals) to run from 9 to 29 March 2020, with a public workshop in Brussels on 18 March 2020.

On 11 February 2020, Ofgem gave an update to the Joint European Stakeholder Group (JESG) on 15-minute settlement, which in the absence of an Ofgem exemption would be required to be implemented by 1 January 2021.

Ofgem noted that it had finished its cost-benefit analysis (CBA) on moving to 15 minute settlement, based on an update to the 2016 Frontier Economics report. But the results did not show significant change (from the negative evaluation of such a change in 2016). The CBA has been sent to ACER for comment as Ofgem is required to consider exemption in co-operation with ACER.

Ofgem also noted that it plans to issue a ‘minded to’ decision on an exemption in March and to invite views on this.

National Grid ESO announced, at the same JESG meeting, that it was seeking a derogation from Ofgem, from the Clean Energy Package Electricity Regulation requirement to have a clearing price for balancing energy. This is to avoid having to settle Balancing Mechanism (and their own bilateral balancing services’) balancing energy at a clearing price (moving away from the current pay-as-bid mechanism). If a derogation is not granted, this will require changes to the BSC.

Energy UK publishes lessons learnt for generators following electricity supply interruptions

As the representative for generators on the Energy Emergencies Executive Committee (E3C), Energy UK has published a [summary](#) of the preliminary lessons learnt from the events of the 9 August 2019 when electricity supplies were interrupted. If you have any questions please contact [Matthew Deitz](#), policy manager, power, at Energy UK.



National Grid ESO Delegation of EBGL tasks to ELEXON and the BSC Panel

On 20 February 2020, National Grid Electricity System Operator (NGESO) wrote to ELEXON delegating some of its tasks relating to the European Electricity Balancing Guideline (EBGL) change process to ELEXON and the BSC Panel. The delegated tasks relate to the process of amending BSC provisions that also constitute Article 18 terms and conditions as seen in [Ofgem's conditional Article 18 approval letter dated 8 October 2019](#).

The delegations and the corresponding BSC Modification to incorporate the delegations ([P392](#)) will create an efficient and clear change process for market participants. The delegations and P392 combined will ensure the legally separate BSC and EBGL change processes are fulfilled by a single Code Manager, and preserve the BSC Change process as the single mechanism to amend BSC provisions. This is an efficient and pragmatic situation for the benefit of BSC Parties.

The delegations will become effective upon the implementation of P392, expected to be on 25 June 2020.

New European Network Codes

On 11 February 2020, the European Commission issued a [consultation](#) on the possibility of new Network Codes being developed.

It is consulting on two in particular: (1) a new network code on cybersecurity (including for cross-border electricity flows) to be developed from this year onwards; and (2) on demand side flexibility – for development from 2022.

The Commission is also seeking views on the possibility of other new network codes beyond 2023 and what should be their subject matter.

Ofgem approves P383

On 28 February 2020 Ofgem approved [P383 'Enhanced reporting of demand data to the NETSO to facilitate CUSC Modifications CMP280 and CMP281'](#) for implementation on 1 April 2021.

This Modification will introduce processes that enable Suppliers to share details of 'declared' storage facilities and will impact on operators of storage facilities and Half Hourly Data Aggregators.



IV. Electricity Market Reform news

EMR Update

EMR Circulars

No new EMR Circulars have been issued since the last Panel meeting.

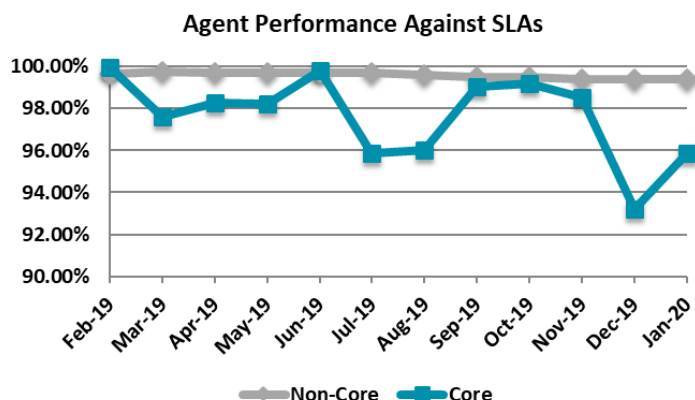
All EMR circulars are all available to download from the [EMR Circulars page](#) of the EMRS website.

V. Cross Code News

Ofgem Market Wide Half Hourly Settlement (MHHS)

- 1.1 The Code Change and Development Group (CCDG) is reviewing and agreeing ELEXON's lower-level design detail on the MHHS Target Operating Model (TOM) (and turning this into BSC legal drafting). In parallel, ELEXON is working with Ofgem to help other code bodies identify changes where their Codes are impacted. The key external milestones are CCDG consultations in June 2020 (on the low-level TOM design) and February 2021 (on the Industry Codes legal drafting), with a final report to Ofgem in May 2021.
- 1.2 Ofgem intends to make its Full Business Case decision in Q3 2020 on when and how to implement MHHS. It also intends to direct the CCDG's recommended Industry Code changes in mid-2021, such that they come into effect without going through the normal change process. Ofgem's direction of these changes will see the start of the transition from the current Settlement process to the MHHS TOM. Ofgem will notify the date by which the TOM must be fully implemented in its Business Case, which we expect to be between 2023 and 2025. The next key Ofgem milestone is its draft economic Impact Assessment, which we expect to be published within the next 2 months.
- 1.3 The Architecture Working Group (AWG) held its second meeting on 21 January 2020, to discuss the solution architecture principles, data architecture standards, and the security architecture guidelines to be delivered through the group's work. They also agreed the proposed detailed work plan, which was presented to Ofgem at the end of January 2020. The next step for the AWG is to specify the requirements of the interfaces between the services identified in the MHHS TOM.
- 1.4 We are working with Ofgem on a joint communications approach for the CCDG's and AWG's work. There will be a MHHS stakeholder event to be held in May 2020 at ELEXON's offices. ELEXON will also be contributing to an Ofgem MHHS newsletter which will be launched in March 2020.

VI. Key Performance Indicators Spot Light



Supplier Performance

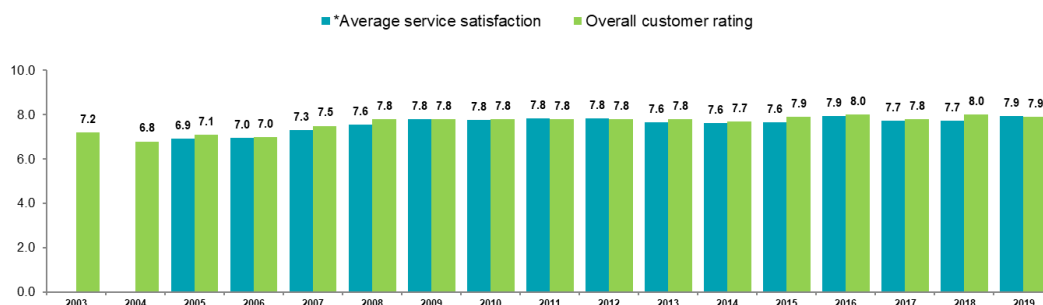
The overall service level performance of the BSC Central Systems remained similar to last month. BMRS, SAA and SVAA did not meet the required service levels in January, however the systems were available with no downtime. ELEXON is working with the Service Provider to prevent repeat incidents on the BMRS and SAA and improve the service across all BSC Central Systems for customers.

Core Systems

BMRS: A recurrent incident occurred on three occasions (4, 11 & 14 January) where BMRS could not load and publish Bid Offer Acceptance Level Flag (BOALF) data. The BOALF data is used in the Settlement Calculations and ELEXON suspended the BMRS Settlement Calculations while this issue was ongoing to prevent incorrect data, in particular the System Prices, being published. The incidents occurred outside of business hours, and ELEXON instructed its Service Provider to re-run settlement once all data was loaded, so the correct data was subsequently published. ELEXON now has a workaround in place and the issue has not reoccurred in the last few weeks. Other BMRS data remained unaffected and was available with no downtime in January.

SAA: There were four instances where the SAA Settlement Reports (SAA-I014) were not delivered in accordance with the Settlement Calendar. All four instances were delivered a day late. In addition to this, there was an IT related incident on one day where Physical Notification data was not loaded resulting in incorrect System Prices for one Settlement Period in the Interim Information (II) SAA-I014 (16 January 2020). Where this affected Credit Cover Percentage, ELEXON applied Material Doubt to prevent any material impact to BSC Parties. The report was re-issued to correct the data.

SVAA: The Daily Profile Production (DPP) was delayed for Settlement Date, 9 January 2020. ELEXON notified this via Circular and the report was issued a day later and there was no impact to BSC Parties.



ELEXON Annual Customer Survey

This graph has been updated to include the 2019 Customer Survey. ELEXON's scores for 2019 are overall 7.9 (-0.1) and average service satisfaction 7.9 (+0.2).

*Based on average across 9 customer ratings included in all years since 2005

Base: Total sample



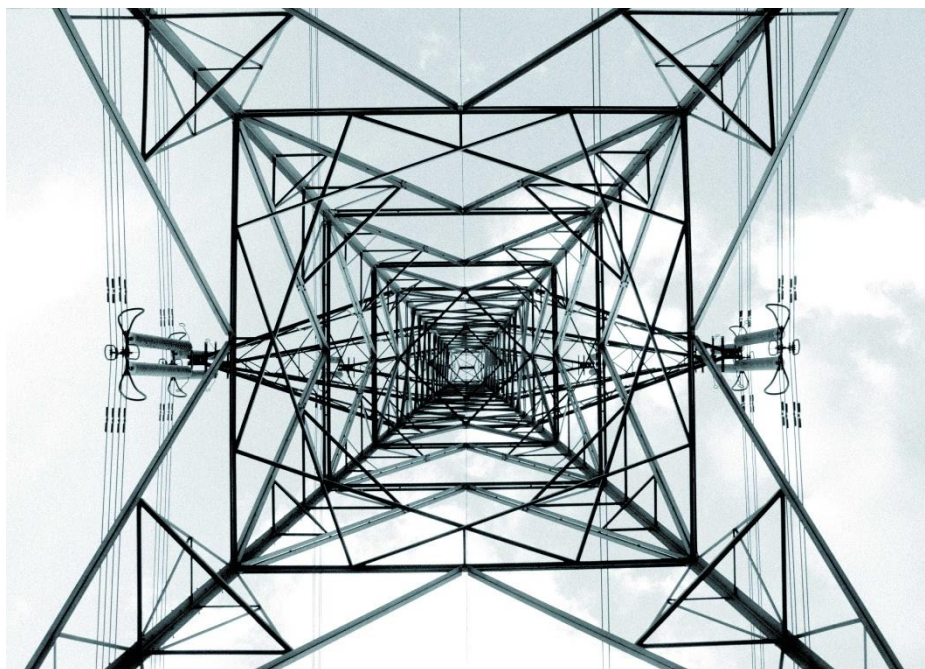
VII. Summaries of Panel Business – Tabled

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.

VIII. Recommendations

We invite the BSC Panel to:

- a) NOTE the contents of this paper.



Appendices

Appendix A	–	ELEXON monthly KPIs
Appendix B	–	Report from the ISG
Appendix C	–	Report from the SVG
Appendix D1	–	Report from the PAB Confidential
Appendix D2	–	Report from the PAB Public

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