

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.

301/01 ELEXON Report BSC Panel

Date of Meeting	9 April 2020
Paper Number	301/01
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

ELEXON has been 'working from home' since 12 March. Video conferencing for internal and external meetings is the new norm. So far there have been no issues to our services to our customers relating to COVID-19 but we remain vigilant.

We are aware of some of the challenges to our customers arising from COVID-19 and are determined to assist where we can. Our CEO has issued two messages to our customers. The first with respect to the steps ELEXON is taking to support our customers in the challenges they are facing in these unprecedented times. The second detailing further changes approved by the PAB to help support our customers, 26 March, including but not limited to suspension of the Error and Failure Resolution (EFR) process and a recommendation to suspend Supplier Charges from March 2020.

Whilst the above communication described the PAB decisions, a fuller explanation was included in the weekly Newscast on 30 March describing the PAB significant decisions.

The usual updates on EU developments include information regarding:

- i) Implications of the Transition Period following the UK's exit from the EU on UK energy regulation;
- ii) The EU Commission's decision to cancel all 'non-essential' meetings for an indefinite period in light of the Coronavirus; and
- iii) Network Code on Emergency and Restoration (NCER).

We published the [final version of our 2020/21 Business Plan](#).

We provide an update on our work to improve access to industry data, specifically with respect to a new [data area](#) we've introduced to our website. We've also published new guidance notes, [clarifying Exceptional Circumstances](#) in regards to Trading Disputes and to support half-hourly (HH) Suppliers in [maintaining HH Settlement performance](#).

We highlight Ofgem's new monthly Settlement Reform newsletter and commitment to relaunching the sandbox in April 2020 (including the BSC sandbox through [P362](#)).



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II. ELEXON News

Messages from ELEXON's CEO on the impacts of COVID-19

The first phase has been to bed in remote working (the office closed 12 March) whilst ensuring our services to customers continue in accordance with our existing Business Continuity Plan. This has gone well with minimal internal IT issues and no impact to operational services.

We are in the middle of the second phase which is to assess (and then enact under appropriate governance) how we can ease the burden on our customers (see below for examples). This has been publicised via emails, our dedicated COVID-19 web page, Newscast and the trade publications.

In particular, two messages from Mark Bygraves addressing our customers were published on ELEXON's website and issued to the Newscast database with respect to the ongoing Coronavirus pandemic. The first sought to reassure our customers that [ELEXON is here to support them](#) and to help them address any relevant issues they are facing, and to consider if there is anything that we can do to reduce our customers' burden.

The second detailed [further changes approved by the PAB to help support our customers](#), (see below) including but not limited to suspension of the Error and Failure Resolution (EFR) process and Supplier Charges.





Performance Assurance Board (PAB) decisions following appraisal of COVID-19 impacts

The COVID-19 pandemic presents an unprecedented challenge for the industry. ELEXON invited Suppliers and Supplier Agents to inform us of the issues experienced and the potential impacts these could have on Settlement. The key messages from these responses were discussed by the PAB at its 26 March 2020 meeting.

Many of the responses we received highlighted the following concerns for the accuracy of Settlement:

- i) Extreme difficulty in obtaining access to sites to obtain routine Meter reads for Non Half Hourly (NHH) sites and to obtain reads for Half Hourly sites that have Meter communication faults. Site access issues are also impacting the ability to fix Meter faults and install new Meters;
- ii) Concerns that data flows required by the Balancing & Settlement Code and its associated procedures may be delayed due to a reduction in operational staff if people become ill or need to self-isolate where the ability to work from home is not in yet in place; and
- iii) Concerns that estimation and profiling arrangements which are robust in normal circumstances, will not be effective in the current circumstances which could result in cash-flow issues for Suppliers.

Following discussion of these concerns, the suggestions of how ELEXON and the PAB could help and the remit of PAB, the PAB made pragmatic decisions regarding suspension of certain Performance Assurance Techniques (PATs), details of which can be found within the associated [Newscast item](#).

Open Settlement Data page

ELEXON is working to improve access to industry data. We have created a [Data area](#) of our webpage to better signpost to customers where they can find the data we provide.

We are also working on [publishing a selection of Settlement Data](#) under an open licence using open data best practice principles. Please provide feedback to market.operations@elexon.co.uk as we want to develop our data provision further using customer feedback.

For more information about the modification we have raised to increase access to BSC data see [BSC Mod P398](#).

We have previously set out some of the work we are doing to improve access to data in an [insight article](#) by Emma tribe.



Final version of the 2020/21 Business Plan

We have published the [final version of our 2020/21 Business Plan](#).

The industry and the BSC Panel previously commented on the plan and these comments are reflected in the final version.



Consultation Responses

We have responded to 2 consultation since our last update to the Panel as follows:

- The Electricity Networks Association (ENA) consultation on the planned scope and direction of the Open Networks Project in 2020.
 - + Our response noted that consistency of processes across distribution regions will be key to unlocking the potential of flexibility.
 - + We believe that provision for spending is essential to establishing the flexibility value stack, and that the findings from the Open Networks project should be presented as a case for funding in the RIIO-ED2 price control.
 - + With regard to the 2020 work focus, we believe that the Open Networks project is best utilised to develop solutions to problems which cannot be solved by competitive market solutions or have other existing solutions within the industry. We also suggest that there may be a case for a single, combined, independently-produced Future Energy Scenarios document, to avoid an ever-increasing number of separate documents.
- The Agency for the Cooperation of Energy Regulators' (ACER's) consultation on the Transmission System Operators' (TSOs') proposal for further specifying and harmonising imbalance settlement.
 - + Our response noted that it is not clear to us that further harmonisation of imbalance price calculations would provide benefits to consumers.

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

New trading disputes guidance note available

We are undertaking a review of the [Trading Disputes technique](#). To assist us with identifying areas requiring improvement and refinement, we asked stakeholders for feedback on the current Trading Disputes processes. Our stakeholders requested that we provide clarification around the use of exceptional circumstances in relation to raising Trading Disputes.

Consequently, we have produced a guidance note to provide clarification on the exceptional circumstances process. This is available [on our website](#). If you have any questions, please contact disputes@elexon.co.uk.

Smart Meter Technical Detail Report: February 2020

The latest report shows that during February 2020, 80.41% of total meter installs over the month were SMETS v2.0 meters. There was a small dip in the total number of SMETS v2.0 installs in February from 194k to 193k.

New Guidance for Half Hourly (HH) Suppliers

A new guidance note for HH Suppliers working to obtain or maintain their HH Settlement performance has been [published on the ELEXON website](#). The document covers both the sub-100kW and above 100kW markets and was put together following consultation with the industry. It has incorporated feedback from the Performance Assurance Board.

We hope that Suppliers find the information helpful and welcome feedback and suggested improvements from our customers.

New BSC Issue 89

We raised [Issue 89 'Ensuring Demand Control Event \(DCE\) procedures remain fit for purpose'](#) on 23 March 2020. This follows discussion at the Panel regarding the 9 August DCE.



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.

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. These may or may not apply to GB after 31 December 2020, dependent on the outcome of the negotiations.

Because of the coronavirus continuing to spread through Europe, the EU Commission decided on 9 March 2020 to cancel all 'non-essential' meetings for an indefinite period. This decision affected a number of European meetings that ELEXON would have otherwise attended. These have either been cancelled or changed to videoconference.

Ofgem has also noted that it is reviewing its work plans for 2020 and that from 25 March it would 'temporarily pause the publishing of new information on our website, with the exception of legally required releases, a limited number of critical updates as required or information relating to the Coronavirus, until this review has been completed'.

At the time of writing, we are seeking to ascertain how the decisions on exemptions or derogations from European legislation that will be required during 2020 (on 15 minute settlement; and, separately, on a balancing energy clearing price) might or might not be affected by this publication pause.





Electricity Balancing Guideline (EB GL)

On 9 March 2020, ACER published two public consultations: on [imbalance settlement harmonisation](#); and on [the classification of balancing energy activation purposes](#). These consultations closed on 29 March 2020.

Clean Energy Package

On 1 April 2020, ACER launched a [public consultation](#) on the methodology and bidding zone configurations to be studied for the upcoming bidding zone review mandated by the Clean Energy Package.

Network Code on Emergency and Restoration (NCER)

ENTSO-E hosted a webinar on 25 March 2020 to examine harmonising the national rules for suspension and restoration of market activities. An ENTSO-E report on possible harmonisation is required by the NCER by end 2020. The slides can be found on the [ENTSO-E website](#).

IV. Electricity Market Reform news

EMR Circulars

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

- + **EMRC205:** LCCC has determined the Total Reserve Amount and Interim Levy Rate from 1 July 2020 to 30 September 2020
- + **EMRC204:** EMRS Settlement Calendar for 1 April 2020 to 31 March 2021 published
- + **EMRC203:** Suppliers to receive revised Capacity Market Credit Cover and Supplier Charge schedule for 2019-20 Delivery Year
- + **EMRC202:** Temporary closure of our office to manage impact of COVID-19
- + **EMRC201:** New SPA calculation to manage AR3 contracts

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



V. Cross Code News

Ofgem launches first edition of Settlement Reform newsletter

Ofgem launched the first edition of its [new monthly newsletter](#) on 12 March 2020, which will provide a roundup of all that is happening within the Settlement Reform programme, including updates on working groups, consultations, stakeholder events, and more. In addition to being a regular information source, the newsletter is intended to become a conduit for engaging with Ofgem alongside the formal consultation or Request for Information routes. Please do get in touch with them if you have any questions or comments using the Half-Hourly Settlement team mailbox: Half-HourlySettlement@ofgem.gov.uk.

Cross Code Working: European Network Codes Implementation Plan

We have worked with National Grid Electricity System Operator (NGESO) and the Energy Networks Association (ENA) to develop the European Network Codes (ENC) implementation plan. The latest version was published on 11 March 2020 [on our website](#). It aims to support BSC Parties and Code Administrators in managing the changes that ENCs are introducing into the BSC, Grid Code and Distribution Code.

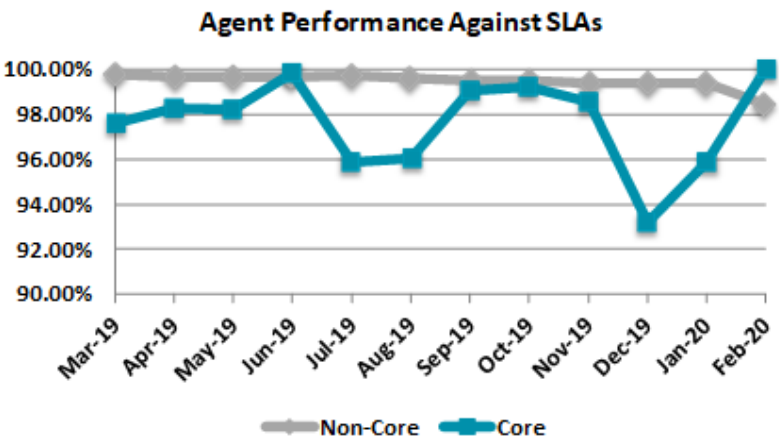
BSC Sandbox, Modification [P362](#)

Ofgem have committed to relaunching their sandbox in April 2020, including the BSC and Distribution Connection and Use of System Agreement (DCUSA) sandbox.





VI. Key Performance Indicators Spot Light



Supplier Performance

A notable improvement in performance has been delivered in February as service improvement plans have taken effect. The 24/7 Applications (BMRS and ECVAA) operated at 100% availability and the overall service level performance was 99.97% for the month.

A recurrent incident occurred on Saturday 8 February where BMRS could not load and publish Bid Offer Acceptance Level Flag (BOALF) data. Settlement Calculations were suspended on the BMRS for 5 Settlement Periods (16-21) to prevent incorrect data, in particular the System Prices, being published. A workaround currently in place prevented further reoccurrence. Other BMRS data remained unaffected.

Core Systems

Service Desk: An incident was resolved outside of the required timescales by one day. This resulted in customers having incorrect Credit Cover Percentages and material doubt was applied for two Parties in order to mitigate against any material impacts on customers resulting from the error.





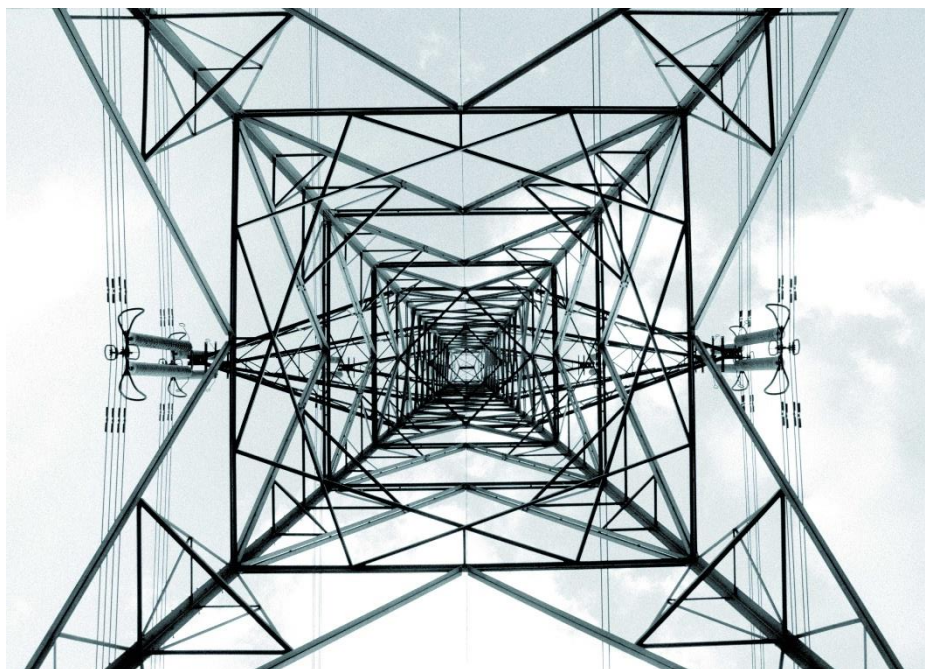
VII. Summaries of Panel Business – Tabled

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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