

MINUTES

MEETING NAME	BSC Panel
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Meeting number	301
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Date of meeting	Thursday 9 April 2020
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Venue	Video Conference
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Classification	Public
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ATTENDEES AND APOLOGIES

Attendees	Michael Gibbons	MG	BSC Panel Chair
	Phil Hare	PH	Deputy BSC Panel Chair
	Colin Down	CD	Ofgem Representative (Part Meeting)
	David Lane	DL	DNO Representative
	Stew Horne	SH	Consumer Panel Member
	Lisa Waters	LW	Industry Panel Member (Alternate for SC)
	Tom Edwards	TE	Industry Panel Member
	Rhys Kealley	RK	Industry Panel Alternate (Alternate for MD)
	Mark Bellman	MBe	Industry Panel Member
	Diane Dowdell	DD	Independent Panel Member
	Derek Bunn	DB	Independent Panel Member
	Jon Wisdom	JW	NGESO Panel Member
	Richard Haigh	RH	BEIS Representative
	Mark Bygraves	MB	ELEXON CEO
	Victoria Moxham	VM	ELEXON Director of Customer Operations, Panel Secretary
	Peter Stanley	PS	ELEXON Director of Digital Operations (Part Meeting)
	Jason Jackson	JJ	Panel and Committee Support Manager
	Claire Kerr	CK	Panel and Committee Support Manager (Part Meeting)
	Lawrence Jones	LJ	Modification Secretary
	Ivar Macsween	IM	ELEXON (Part Meeting)
	Faysal Mahad	FM	ELEXON (Part Meeting)
	Matthew Woolliscroft	MW	ELEXON (Part Meeting)
	Craig Murray	CM	ELEXON (Part Meeting)
	Nathan Flood	NF	ELEXON (Part Meeting)
	Darren Draper	DD	ELEXON (Part Meeting)
	Nick Baker	NB	ELEXON (Part Meeting)
Apologies	Mitch Donnelly	MD	Industry Panel Member
	Stuart Cotton	SC	Industry Panel Member

Introduction

1.1 The Chair noted apologies from Stuart Cotton and Mitch Donnelly and noted their Alternates.

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NON-CHANGE BUSINESS (OPEN SESSION)

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

2. Opportunity for questions and comments from the BSC Panel regarding BEIS' intention to amend the BSC in support of Smart implementation (Verbal)

- 2.1 The BSC Panel sought clarity with respect to the changes and commented on the approach being taken and the purpose of the change. The BSC Panel and the BEIS Representative discussed the mechanisms for handling disputes under the BSC and the Smart Energy Code (SEC). The necessity of the change and safeguards in respect of privacy was also debated. The BSC Panel confirmed it was comfortable with this change being progressed and the proposed approach.

3. COVID-19 Update (301/04)

- 3.1 ELEXON presented the measures it had put in place and the further steps it would take to support its customers and mitigate the impacts of COVID-19.
- 3.2 A Panel Member praised the agility and pragmatism of ELEXON's response, but suggested that going forward ELEXON should ensure that more time is allowed for consultation and that BSC Parties are given sufficient opportunity to engage at a less technical level.
- 3.3 The BSC Panel highlighted the importance of active monitoring with respect to Estimated Annual Consumption (EAC) values being amended in line with the derogations approved by the Performance Assurance Board (PAB). ELEXON described its planned approach in respect of providing assurance that EACs were only being amended in line with the derogation and that evidence of a change in consumption was held by the relevant Suppliers. ELEXON agreed to work to ensure that live monitoring was put in place and reported back to the BSC Panel. A Panel Member suggested that provisions would need to be in place for retrospective action to be taken against Suppliers which did not adhere to the criteria for amending EACs and that the criteria for such retrospective action being taken should be clearly defined.

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- 3.4 A Panel Member flagged that generators would not be in a position to cover additional costs should they be smeared following erroneous EACs being submitted by Suppliers.
- 3.5 The BSC Panel discussed the challenges for Suppliers accurately identifying sites which would genuinely see a change in consumption and in estimating that change accurately. The BSC Panel also discussed the vires under which the PAB had enacted these derogations. ELEXON emphasised that the PAB had acted entirely within its vires in taking these decisions.
- 3.6 A Panel Member highlighted the importance of ELEXON keeping abreast of the actions being taken by other industry codes. The Panel Member suggested that a unified approach in responding to the impacts of COVID-19 would be far preferable to disparate actions being taken by each code independently. MB noted code-specific actions shouldn't be delayed pending discussion with other Codes but recognised there was an opportunity for more coordinated communications from Codes. He was in conversations with the CEOs of other industry codes and that ELEXON was also observing industry comments made through various fora.
- 3.7 The BSC Panel:
- a) **NOTED** the update provided.

MODIFICATION AND CHANGE BUSINESS

4. Change Report and Progress of Modification Proposals (301/03)

- 4.1 ELEXON presented the April 2020 BSC Change Report and the principles ELEXON proposed with respect to progressing BSC Change in light of the COVID-19 pandemic and noting the impacts it was already having on BSC Parties' resource.

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- 4.2 The measures proposed that changes to the BSC (and its subsidiary documents) will continue to be progressed, but will be prioritised based on whether the change:
1. Those required to mitigate risks and issues caused by lockdown
 2. Those required to be implemented by a fixed deadline
 3. Their impact on participants and to:
 - Delay consultations where [there are] significant impacts on participants and
 - Delay raising new changes where significant impacts on participants
- 4.3 A Panel Member noted feedback received from BSC Parties would support this approach and that in particular, some Suppliers wished for the majority of BSC Change to be frozen as Suppliers were facing tighter resource constraints than Generators. The Panel Member agreed with the principles proposed by ELEXON for prioritising in flight BSC Changes. A Panel Member believed that [Issue 89](#) should be progressed as quickly as possible, flagging concerns over potential Demand Control Events (DCEs) being driven by the mounting strains on the Transmission System Operator.
- 4.4 A Panel Member echoed concerns over the progression of Issue 89. ELEXON noted that the plan had been put together to provide the evidence to Ofgem for P397 and review the processes, as quickly as possible, but that it was important to have the time to get the review right. Highlighting constraints in respect of expediting its progression. ELEXON agreed to review the timeline.
- 4.5 *Post Meeting Note: Following the meeting ELEXON can confirm, the timeline is already tight, and the same resources working on Issue 89 are also investigating the impacts of COVID-19 on Settlement and Profiles. ELEXON will review the timeline with the Issue 89 Group, but notes, even if timelines were reduced, it would be unlikely to allow changes to be implemented in time for Summer 2020.*
- 4.6 The Panel Member also voiced concern over progressing [P371](#), suggesting that changing the approach to deriving cash out prices while sufficient transparency of actions taken by the National Grid Transmission System Operator (NGTSO) had yet to be achieved, would not be sensible. ELEXON explained that the change was likely nearing testing but that should the Panel decide that this should not be progressed at this time ELEXON could write to Ofgem to request a delay. ELEXON highlighted that the Proposer would likely take an opposing view. ELEXON and NGESO agreed to investigate the impacts options of rescheduling P371.
- 4.7 The National Grid Electricity System Operator (NGESO) Panel Member noted that the pressures facing the system were making it more difficult to respond to impact assessments in a timely fashion. The Modification Secretary noted this pressure and agreed to work with NGESO on any dependencies and requested a best view of when timelines could be made available. The NGESO Panel Member also highlighted that while for the time being its assumption was that work would need to be progressed with respect to [Project MARI](#), the NGTSO would be looking at this with other TSOs across the EU to determine whether this remained a priority in light of COVID-19.
- 4.8 The BSC Panel and ELEXON discussed the appropriateness of progressing Project MARI as either an Issue or a Modification under the BSC. ELEXON noted that its intention was to progress as a Modification on the basis that the issue is well understood and that lessons had been learned from [TERRE](#) under the BSC.
- 4.9 A Panel Member noted that [RTE](#) would not be able to go live with TERRE by 30 June 2020 and asked what this meant for the NGESO's deadline to go live. The NGESO Panel Member noted that this would depend on Ofgem's decision on its request for a delay. The NGESO Panel Member queried whether the BSC Panel had a view as to whether the market participants viewed TERRE going live as a priority going into the challenging period brought about by COVID-19. A Panel Member noted that the wider issue was that a large number of small market participants were pushing for Ofgem to direct the NGESO to go live with TERRE because it would help them get access to the market, this being a good opportunity to gain experience before joining the market with EU participants. The Panel Member suggested that this experience could be gained via Wider Access (WA) (which would be easier than going live with TERRE), and the NGESO could instead support these small market participants by encouraging them to access the Balancing Mechanism (BM) via WA.

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- 4.10 ELEXON confirmed it would be issuing communications to industry on the agreed prioritisation approach and would keep it under review with the Panel.
- 4.11 ELEXON explained that the upcoming EBGL Change Process was requiring a number of Modifications to be re-planned, adding at least two months to delivery timelines so that they would comply with the EBGL regulations. The extension requests were also adjusted to allow for COVID-19 prioritisation impacts.
- 4.12 The Panel noted that ELEXON had successfully delivered the draft redlining for Ofgem's Faster Switching and Retail Code Consolidation Significant Code Reviews on 31 March 2020, in line with the Panel agreed plan.
- 4.13 The BSC Panel:
- a) **APPROVED** a six-month extension to the P375 Assessment Procedure;
 - b) **APPROVED** a six-month extension to the P395 Assessment Procedure;
 - c) **APPROVED** a two-month extension to the P398 Assessment Procedure;
 - d) **APPROVED** a two-month extension to the P399 Assessment Procedure; and
 - e) **NOTED** the contents of the April Change Report.

5. **P406 IWA Temporary disapplication of Supplier Charges Serials SP08 and SP04 due to COVID-19 (301/05)**

- 5.1 Following the PAB's recommendation to the Panel to raise, ELEXON presented the Initial Written Assessment to the BSC Panel.
- 5.2 A Panel Member queried whether it would be more efficient to use the Force Majeure provisions written into the BSC rather than raising a Modification, or consider deferral if a Supplier invoice is causing issues. ELEXON clarified that Suppliers are already reducing Meter reads or taking them offline entirely and that significant drops in performance are already being seen.
- 5.3 A Panel Member noted their concern that the PAB is to decide when the disapplication should end. The reason for this being that it is the BSC Panel that recommend to Ofgem that the Modification be raised yet decision-making would pass back to the PAB. Other Panel Members agreed that Panel should be in control of reapplying Supplier Charges and asked for the legal text to be amended accordingly.
- 5.4 A Panel Member expressed concern that reinstatement of Supplier Charges was tied to Government advice once social distancing ends. The Panel member also spoke about the possibility of lockdown ending only to be reapplied if there was a further wave of COVID-19 transmissions and questioned whether the legal text allowed for further disapplication if this were the case. ELEXON agreed to have the legal text redrafted to remove ties to Government advice.
- 5.5 The following changes were applied to legal text as a result of Panel comments:
- 5.5.1 References to "direction or Legal Requirement issued by Her Majesty's Government" removed from 3.2A3.
 - 5.5.2 Responsibility for determining when to reapply Supplier Charges changed from PAB to the BSC Panel.
 - 5.5.3 3-month notice period inserted in 3.2A3 in place of the proposed process.
- 5.6 The BSC Panel:
- a) **RAISED** the Modification Proposal in Attachment A (in accordance with F2.1.1(d)(vi));
 - b) **RECOMMENDED** to the Authority that this Modification should be treated as an Urgent Modification Proposal;
 - c) **AGREED** the Urgent progression timetable for recommendation to the Authority;
 - d) **AGREED** that this Modification progresses directly to the Report Phase;
 - e) **AGREED** that this Modification DOES better facilitate Applicable BSC Objective (d);

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- f) **AGREED** an initial recommendation that this Modification should be approved;
- g) **AGREED** an initial Implementation Date of:
 - i. 11 May 2020 if the Modification is granted Urgent status and an Authority decision is received by 05 May 2020; or
 - ii. 25 June 2020 if the Modification is not granted Urgent status and an Authority decision is received by 18 June 2020.
- h) **AGREED** the draft legal text subject to the amendments discussed and approved at the meeting;
- i) **AGREED** an initial view that this Modification should **not** be treated as a Self-Governance Modification; and
- j) **NOTED** that ELEXON will:
 - i. Subject to Urgency being granted, issue the draft Modification Report (including the draft BSC legal text) for a five Working Day consultation, and will present the results to the Panel at an ad-hoc meeting during week commencing 20 April 2020; or
 - ii. If Urgency is not granted, issue the draft Modification Report (including the draft BSC legal text) for a for 12 Working Day consultation, and will present the results to the Panel at its meeting on 14 May 2020.

6. P405 IWA Allow notices via email where currently prohibited Arrangements (301/06)

- 6.1 ELEXON presented the Initial Written Assessment of [P405](#). A Panel Member queried whether it was possible for ELEXON to implement this Modification earlier than the recommended date of 8 June 2020. ELEXON explained there are currently workarounds in place to address the risks of current non-compliance, but these are short term workarounds and should be removed as soon as possible. These provisions could be used until June; therefore, progressing the Modification as Urgent would not be necessary. ELEXON also noted that providing for industry consultation, there would only be an 11 Working Day difference between the timeline if this Modification was progressed as an Urgent Modification rather than straight to Report Phase.
- 6.2 A Panel Member expressed support for the Modification, and queried how ELEXON could be sure that the email addresses being used to issue notices are correct and up to date. ELEXON confirmed that currently, under BSC Section H9.2, any notices or other communications that are given to a Party are to be sent in accordance with its Party Details, which include e-mail addresses. ELEXON noted Parties can update this information as needed so this should not be an issue.
- 6.3 The BSC Panel:
 - a) **RAISED** the Modification Proposal in Attachment A in accordance with F2.1.1(d)(i);
 - b) **AGREED** that the Modification should progress directly to the Report Phase;
 - c) **AGREED** that the Modification:
 - i. **DOES** better facilitate Applicable BSC Objective (d);
 - d) **AGREED** an initial recommendation that the Modification be approved;
 - e) **AGREED** an initial Implementation Date of:
 - i. 8 June 2020 as a Standalone BSC Release;
 - f) **AGREED** the draft legal text;
 - g) **AGREED** an initial view that the Modification should be treated as a Self-Governance Modification; and
 - h) **NOTED** that ELEXON will issue the draft Modification Report (including the draft BSC legal text) for a 12 Working Day consultation and will present the results to the Panel at its meeting on 14 May 2020.

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7. P404 DMR Moving the Self-Assessment Document and associated documents from BSCP537 and making them a Category 3 BSC Configurable Item (301/07)

7.1 ELEXON presented the Draft Modification Report for [P404](#) which was briefly discussed by the BSC Panel.

7.2 The BSC Panel:

- a) **AGREED** that P404:
 - a. DOES better facilitate Applicable BSC Objective (d);
- b) **DETERMINED** (in the absence of any Authority direction) that P404 is a Self-Governance Modification;
- c) **APPROVED** P404;
- d) **APPROVED** an Implementation Date of 25 June 2020 as part of the June 2020 BSC Release;
- e) **APPROVED** the draft legal text
- f) **APPROVED** the creation of the new Category 3 BSC Configurable Item 'Self-Assessment Document';
- g) **DELEGATED** Ownership of the new Category 3 BSC Configurable Item to the PAB;
- h) **APPROVED** the redlined changes to the PAB Terms of Reference; and
- i) **APPROVED** the P404 Modification Report.

8. P403 DMR BSC Arrangements in the event that the TERRE Market is suspended by National Grid ESO (301/08)

8.1 ELEXON presented the Draft Modification Report for [P403](#). A Panel Member queried whether there would be an additional cost associated with implementing this Modification as an ad hoc release rather than moving it into one of the scheduled BSC releases. ELEXON clarified that on the basis that this was a document only change, there would be no additional cost compared with waiting for a scheduled release.

8.2 The BSC Panel:

- a) **AGREED** that P403:
 - a. **DOES** better facilitate Applicable BSC Objective (a); and
 - b. **DOES** better facilitate Applicable BSC Objective (e);
- b) **DETERMINED** (in the absence of any Authority direction) that P403 is a Self-Governance Modification Proposal;
- c) **APPROVED** Modification P403;
- d) **APPROVED** an Implementation Date of:
 - a. 28 May 2020 as an ad-hoc Release;
- e) **APPROVED** the draft legal text; and
- f) **APPROVED** the P403 Modification Report.

9. P390 AR Allowing extensions to ELEXON's business and activities, subject to additional conditions (301/09)

9.1 ELEXON presented the [P390](#) Assessment Report. A Panel Member sought clarification as to whether the Panel would be given the chance to provide its views on a potential expansion of ELEXON vires. ELEXON clarified that the Panel would be provided with an opportunity to provide their views via the consultation step introduced by P390, adding that these views would additionally be published online and passed on for Ofgem's consideration.

9.2 A Panel Member took the opportunity to ask the Ofgem Representative whether any other code managers would be subject to conditions related to any perceived competitive advantage and noted that applying this condition could prevent

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ELEXON from pursuing opportunities which it is eminently qualified to undertake. The Ofgem Representative responded that Ofgem had no plans to hold any other organisations to this condition but clarified that it was chiefly concerned with 'undue' competitive advantage' (which is the phrase in the Modification) rather than any advantage relating to ELEXON's capabilities and competencies.

9.3 The BSC Panel:

- a) **AGREED** that P390 DOES better facilitate Applicable BSC Objective (c) and (d);
- b) **AGREED** an initial recommendation that P390 should be approved;
- c) **AGREED** an initial Implementation Date of 5 Working Days following a decision from the Authority;
- d) **AGREED** the draft legal text;
- e) **AGREED** an initial view that P390 should not be treated as a Self-Governance Modification;
- f) **AGREED** that P390 is submitted to the Report Phase; and
- g) **NOTED** that ELEXON will issue the P390 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 14 May 2020.

10. P392 DMR Amending BSC Change Process for EBGL Article 18 (301/10)

10.1 ELEXON presented the Draft Modification Report for [P392](#). A Panel Member queried ELEXON's planned approach to ensure that BSC Parties clearly understood the changes. ELEXON advised that it planned to deliver a webinar providing a detailed explanation of impacts, alongside all of the standard communications around Modifications. The Panel Member also queried how ELEXON would make BSC Parties aware of sections of the Code which would impact on the EBGL conditions. ELEXON explained that a check was now part of ELEXON's change templates and be undertaken at the first stage when changes are raised in the future.

10.2 The BSC Panel:

- a) **AGREED** that P392:
 - a. **DOES** better facilitate Applicable BSC Objective (a);
 - b. **DOES** better facilitate Applicable BSC Objective (d); and
 - c. **DOES** better facilitate Applicable BSC Objective (e);
- b) **AGREED** an initial recommendation that P392 should be approved;
- c) **AGREED** an initial Implementation Date of:
 - a. 25 June 2020 if an Authority decision is received on or before 18 June 2020;
- d) **AGREED** the draft legal text;
- e) **AGREED** that P392 is submitted to the Report Phase; and
- f) **NOTED** that ELEXON will issue the P392 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 14 May 2020.

NON-MODIFICATION BUSINESS (OPEN SESSION)

11. Minutes of Previous Meeting(s) & Actions arising

11.1 The BSC Panel approved the amended draft of the minutes for BSC Panel meeting 300. ELEXON presented the actions and associated updates for the April 2020 Panel meeting.

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- 11.2 With respect to the action regarding the Panel's strategy a Panel Member suggested delaying work to produce an updated Panel Strategy document given the circumstances. A Panel Member suggested that it was important that the BSC Panel had a clear strategy and that updating the Panel's strategy shouldn't be a resource intensive exercise.
- 11.3 Two Panel Members volunteered to support the development of the updated Panel Strategy document. The Panel Chair reminded Panel Members to submit any feedback to ELEXON through the Panel Secretary mailbox with respect to previous drafts of the Panel Strategy which were recently circulated.

12. Chairman's Report (Verbal)

- 12.1 The BSC Panel Chair noted the continued reduction of the Credit Assessment Price (CAP) and the steps ELEXON had taken to expedite the process for adjusting the price to reflect market conditions.
- 12.2 The BSC Panel also discussed the Annual BSC Meeting, and agreed that it should not take place physically. The need for and purpose of the Annual BSC Meeting was discussed in detail, along with the Code requirement for such a meeting to be held and the new requirement for the approval of directors appointed by the ELEXON Board since the previous Annual BSC Meeting. Various opinions were expressed on a virtual meeting, including the possibility of seeking a derogation from Ofgem with respect to the requirement to hold the meeting at all. It was agreed that ELEXON will seek further views, including from industry, on the need for and/or possible content of a virtual meeting.

13. ELEXON Report (301/01)

- 13.1 ELEXON highlighted: its own analysis of the reduction in national electricity demand since the lockdown was put in place; improved KPIs with respect to service provider performance; the publication of [ELEXON's 2020/21 Business Plan](#); the derogations required from Ofgem with respect to 15 minute Settlement; and the possibility that the BSC Sandbox could be launched pending decision from Ofgem regarding its re-prioritisation.
- 13.2 The Ofgem Representative commented that a decision regarding the BSC Sandbox would be forthcoming and that they would feedback the concerns regarding the required derogations.
- 13.3 A Panel Member noted ELEXON's response to the recent Open Networks project consultation. The Panel Member suggested that the approach currently being taken whereby various Distribution Network Operators (DNOs) were working independently on their own projects and using their own technology platforms to provide various solutions was making it extremely difficult, costly and frustrating for market participants, including for BSC Parties to integrate with this wide range of products. The Panel Member highlighted the need for liquid and transparent markets, not a plethora of 'mini markets' being run by DNOs. A Panel Member echoed these concerns. The Consumer Panel Member advised that Citizens Advice has been responding to Ofgem and highlighted that this approach was not in consumers' interests. And in fact increases risk across the system and presents a significant barrier to innovation. The Panel Chair reiterated the concerns shared by Panel Members and asked the Ofgem Representative to share these concerns with the relevant department at Ofgem.

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- 13.4 The BSC Panel:
 - a) **NOTED** the Report

14. Distribution Report

- 14.1 The DNO Representative noted that they would feed the comments noted with respect to the approach being taken to the Open Networks project back to the commercial team at the Electivity Networks Association (ENA). The DNO Representative highlighted the release of a new digital systems map by the DNO data working group, which uses a single platform and demonstrates the mapping of various data sets in a single location and demonstrates how this could be expanded across other data sets. Feedback from Panel Members was invited.

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15. National Grid Report

- 15.1 The NGESO Panel Member highlighted weekly webinars being held by the NGESO in respect of the challenges being faced in light of the COVID-19 pandemic.
- 15.2 The NGESO Panel Member also provided an update on the consultation being carried out by the NGESO with respect to its procurement guidelines. The consultation relates to provisions for Interconnectors and Frequency Response products. Review and responses are encouraged.
- 15.3 The NGESO Panel Member noted a CP raised by the NGESO to provide more information for Balancing Services Use of System (BSUoS) charging.
- 15.4 A Panel Member raised concerns shared with them by Generators over significant potential impacts to their international competitiveness if BSUoS charges are not removed at the same time as the NGESO's Targeted Charging Review (TCR). The NGESO Panel Member noted that the NGESO did not believe that undertaking both elements simultaneously was appropriate and that there were resource constraints requiring the phased approach being taken. The NGESO Panel Member did note however that the NGESO appreciated the challenges for Generators in terms of costs.

16. Ofgem Report

- 16.1 The Ofgem Representative expressed Ofgem's gratitude for ELEXON and the wider industry's response to the COVID-19 pandemic. Ofgem is working to ensure that the industry is able to do the right thing to support customers in these difficult times.
- 16.2 The Ofgem representative referenced the [priority list published by Ofgem](#) in respect of its re-prioritisation of work in light of the pandemic. This should be read alongside Ofgem's previous post about its pragmatic approach to compliance. Ofgem will be more lenient if market participants are focusing on the things set out as Ofgem priorities.
- 16.3 The Ofgem Representative noted that: The government is leading the response to COVID-19; and Ofgem is focused on ensuring the industry can respond to COVID-19 in order to protect consumers, especially the vulnerable, keeping them on supply while keeping workers and consumers safe.
- 16.4 The Ofgem Representative noted that in respect of next steps: Its publishing moratorium would remain in place whilst Ofgem's board considers what its forward work programme priorities should be; and that Ofgem will hopefully publish its views on this soon.

17. Any Other Business

- 17.1 A Panel Member raised a matter discussed at the last Imbalance Settlement Group (ISG) meeting, [ISG 228](#). The Panel Member noted that the ISG had undertaken a high level review of the Value of Lost Load (VoLL) and Loss of Load Probability (LoLP) calculations and found that in the ISG's view the industry is wasting time and resource undertaking these calculations as only 0.005% of actions included in these calculations ever feed into the cash out price. The Panel Member flagged that the ISG intended to submit a recommendation to the Panel that a further review should not be undertaken. The Panel Member noted that the lack of transparency over whether these values will impact cash out negates the ability for either to act as meaningful market signals. As the VoLL and LoLP calculations have only impacted the cash out price twice since implementation it is the ISG's view that a further review should not be undertaken. The Panel Member advised that they had raised their concerns with Ofgem, suggesting that Ofgem should delay the implementation of P371 which would only contribute further uncertainty with respect to the cash out price. The Ofgem Representative noted that they did not have a prepared response but that they have noted the concerns raised.

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NON-MODIFICATION BUSINESS (OPEN SESSION)

18. Foundation Programme Update (Verbal)

- 18.1 PS presented an update on the progress of its Foundation Programme. The BSC Panel praised ELEXON for its continued delivery and for keeping within budget. The Panel Chair noted the significant achievement represented by the continued delivery given the requirement for work to be completed remotely in light of COVID-19.
- 18.2 A Panel Member queried whether additional analytics services were planned as the Foundation Programme is progressed. PS advised that analytics services were planned and would be free of charge for use by BSC Parties. PS suggested that such analytics services could be monetised with respect to non-BSC Parties but that any services developed would be driven by demand from BSC Parties.
- 18.3 A Panel Member requested that this presentation is delivered to the Balancing Mechanism Reporting Service (BMRS) Change Board (BCB) given its relevance to the future development of the BMRS. PS confirmed that this could be done. The Panel Chair suggested that the Panel Member could share the public slides from the Panel meeting with the BCB in the meantime.

19. Letter of Credit Template Updates (301/12)

- 19.1 ELEXON presented the proposed amendments to the Letter of Credit Template. ELEXON and the BSC Panel discussed the specifics of the fields included within the template. ELEXON noted that further changes could be made to the template if specific issues were encountered by BSC Parties.
- 19.2 The BSC Panel:
- a) **APPROVED** Letter of Credits can be signed electronically;
 - b) **APPROVED** Letter of Credits can be claimed electronically;
 - c) **APPROVED** Letter of Credit claim documentation can be signed electronically; and
 - d) **APPROVED** Letter of Credit claim documentation no longer needs a countersignature from our bankers.

20. BMRS Change Board Terms of Reference Update (301/13)

- 20.1 ELEXON presented the proposed amendment to the BMRS Change Board (BCB) Terms of Reference which was briefly discussed by the BSC Panel.
- 20.2 The BSC Panel:
- a) **APPROVED** the proposed amendment to the Terms of Reference for the BCB.

21. Potential Impacts of Wrongful Trading Law Suspension on Section H Default Approach (301/15)

- 21.1 ELEXON presented its conclusions and legal advice with respect to potential impacts on Section H Default provisions of Government's relaxation of Wrongful Trading regulations and other Government measures in response to COVID-19. The BSC Panel noted its satisfaction with the conclusions.
- 21.2 The BSC Panel:
- a) **NOTED** the information and legal advice within this paper and concluded no action was required.

22. Next Meeting

- 22.1 The next meeting of the BSC Panel will be held remotely on Thursday 14 May 2020.