

Public

# BSC Panel 301

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9 April 2020

Public

**Opportunity for questions and  
comments from the BSC Panel  
regarding BEIS' intention to amend  
the BSC in support of Smart  
implementation**

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Richard Haigh

9 April 2020

Public

# COVID-19 Update

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301/04

9 April 2020  
Mark Bygraves  
Victoria Moxham

**ELEXON**

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# ELEXON's Response

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## First Phase

- Remote working since 12 March
- No impact to operational services

## Second Phase

- From 16 March we moved into the second phase of our response
- Assess (and then enact) measures to ease operational burden on BSC Parties and Party Agents

## Third Phase

- Consider how we sustain our services over the coming weeks, potentially months, as we adjust to a new 'normal'
- Reallocation of individuals
- De-prioritisation of non-core activities if we start to suffer a loss in staff availability due to the virus

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# Easing the burden on BSC Parties/Party Agents

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## Actions Progressed:

- Accelerated the process to reduce the Credit Assessment Price (CAP)
- Recommendations to the Performance Assurance Board (PAB), to relax a number of the Performance Assurance Techniques (PATs)
  - Suspension of EFR
  - Suspension of TAA visits
  - Postponement of TAPAP checks
  - Delay to finalization of BSC Audit
  - Ongoing review of other PATs
  - Suspension of Supplier Charges from March 2020 onwards

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# Easing the burden on BSC Parties/Party Agents CONT

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## Actions Progressed:

- Industry workgroup was held on 1 April to investigate two main areas that Suppliers are reporting as having a considerable impact:
  - Use of inappropriate estimates in Settlement
  - Energy moved from pre-lockdown to post-lockdown days (or vice versa)
  - We are assessing and drafting guidance on potential solutions identified in the workgroup and aiming to issue guidance to industry on 3 April 2020
- Implemented a change in working practice to enable more than two seasonal reductions in Demand Capacity (DC)
- Drafted a Modification Proposal to address certain obligations that we can't meet due to lockdown
- investigated whether there would be value in seeking Panel approval to increase the £500 threshold on invoices to ease the administrative burden on Parties
  - Determined little benefit

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## Supplier Charges – PAB's Recommendation

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- Suspension of Supplier Charges from March onwards
- Deferral of January 2020 and February 2020 Supplier Charges
  - Harder to achieve
  - While the PAB or Panel could possibly defer a set of Supplier Charges, as there are no clear provisions in the BSC to permit this
  - There is a risk that any Party could make a legal claim for us to recoup these Charges or make a claim against another Party

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# Recommendations

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The BSC Panel is invited to:

- a) **NOTE** the update provided.



Public

# Change Report and Progress of Modification Proposals

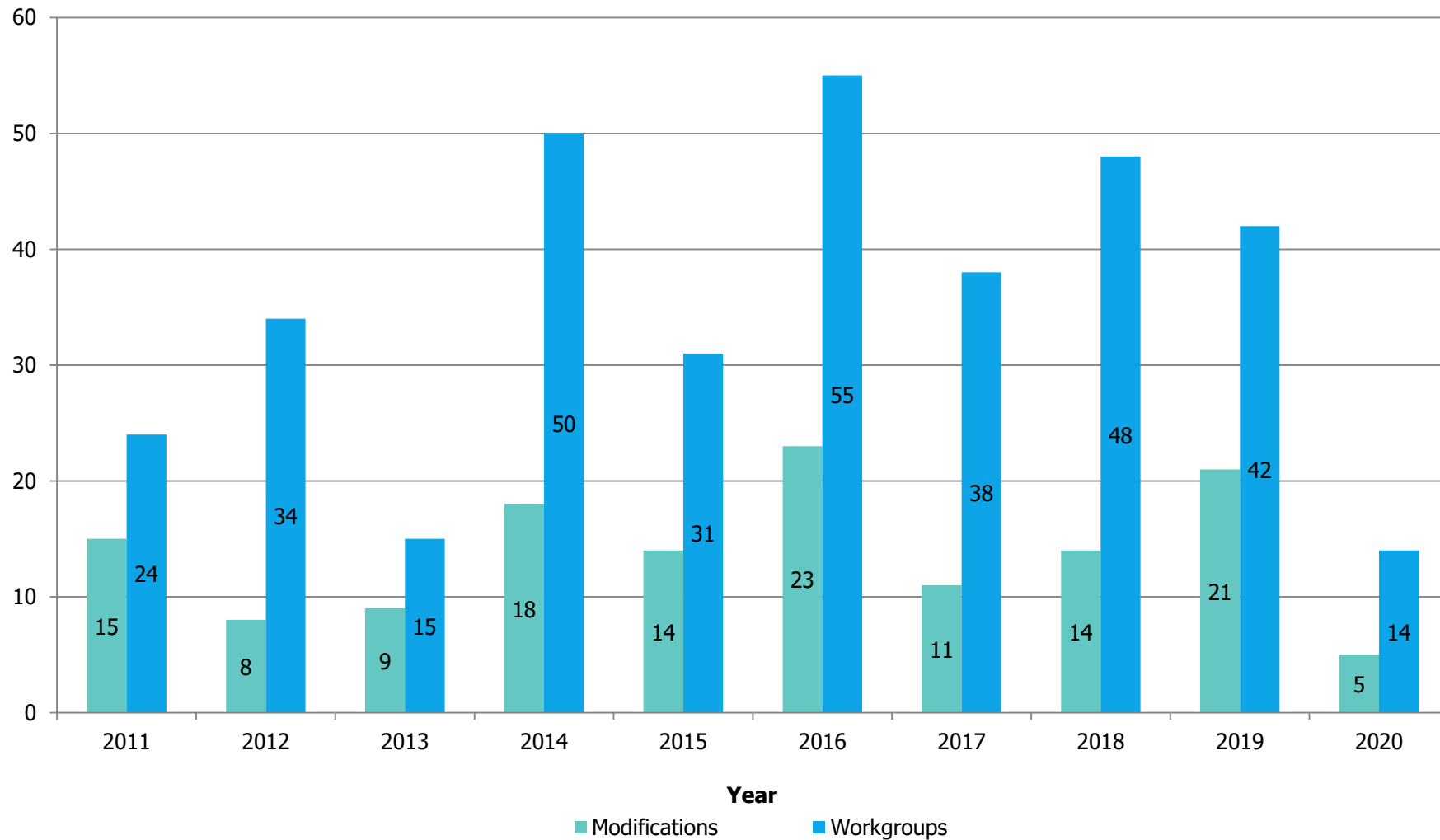
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301/03

9 April 2020  
Lawrence Jones

# BSC Modifications raised by year and Workgroups held

**BSC Modifications raised by year and Workgroups (excluding Issue groups) held**



# BSC Modifications overview

Initial Written Assessment	
Assessment Procedure	<b>P332, P375, P376, P379, P390, P392, P395, P398, P399, P402</b>
Report Phase	<b>P403, P404</b>
Urgent	
With Authority	
Authority Determined	
Self-Gov. Determined	<b>P400, P401</b>
Fast Track Determined	-
Withdrawn	-
Open Issues	<b>Issue 69, Issue 81, Issue 83, Issue 85, Issue 86</b>

# BSC Modifications approved timelines

	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20
<b>P332</b>									AR	DMR	
<b>P375</b>						AR	DMR				
<b>P376</b>								AR	DMR		
<b>P379</b>		Update									
<b>P390</b>						AR	DMR				
<b>P392</b>						AR	DMR				
<b>P395</b>	IWA						AR	DMR			
<b>P398</b>		IWA					AR	DMR			
<b>P399</b>			IWA				AR	DMR			
<b>P402</b>					IWA			AR	DMR		
<b>P403</b>					IWA	DMR					
<b>P404</b>					IWA	DMR					

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# Change Priorities during Covid-19 pandemic (1 of 3)

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- This is an unprecedented time for industry, particularly impacting Suppliers and their Agents
- SVG raised concern on progression of Changes, Workgroups and system preparation
  - Called for a similar approach to Ofgem → pausing publishing of new policy
  - Review implementation dates
- No other feedback from Parties yet, but change probably a secondary consideration
  - OSMs are seeking feedback
  - Mixed views from Issue 86 Members
- A [3] month freeze could manifest itself as a much longer delay, as you may need to stagger the re-start
  - Not clear how long this will last
- So far, we have not seen a drop-off in Workgroup attendance and have been able to progress changes as planned
- We propose a considered response

# Change Priorities during Covid-19 pandemic (2 of 3)

- We propose to prioritise changes based on:
  1. Changes required to mitigate risks and issues caused by lockdown
  2. Changes required to be implemented by a fixed deadline
  3. Impact on participants
    - Delay consultations where *significant* impacts on participants
    - Delay raising new changes where *significant* impacts on participants

## **In-flight changes**

- Continue to progress Workgroups and Issue Groups unless issues reported by Members
  1. Raise: Supplier Charges Mod, Notices Mod
  2. Progress: Issue 86 (SCR redlining, subject to Ofgem re-plan), Issue 89 (DCE), P392 (EBGL change process), P397 (DCE), P402 (TCR SCR, subject to re-plan), P403 (TERRE Suspension)
  3. - Delay consultations: P332, P375, P376, P398, P379 (inc. cost/benefit)
    - Issue consultations: P399

# Change Priorities during Covid-19 pandemic (3 of 3)

## Upcoming changes

1. None at the moment for Covid-19
2. Raise: MARI (delayed from Apr to May), Harmonised Imbalance Settlement (June)
3. Delay: **SIL/SEL (GC0126)**, **Output Useable (GC0130)**, 4 CPs related to Supplier/Agent processes, PAF changes

Dependent on Grid Code/ESO actions

## Pending Implementation

- Consider Implementation Dates for all in-flight Mods as part of process

ID	Title	Implementation Date
P371	Inclusion of non-BM Fast Reserve actions into the Imbalance Price calculation	25-Jun-20
CP1522	Updates to BSCP520 to align with working practices and UMSUG recommendations	25-Jun-20
CP1523	BSCP 501 Amendments to clarify D0312 process	25-Jun-20
P396	Revised treatment of BSC Charges for Lead Parties of Interconnector BM Units	05-Nov-20
P383	Enhanced reporting of demand data to the NETSO to facilitate CUSC Modifications CMP280 and CMP281	01-Apr-21

# Impact of EBGL change process on in-flight Modifications

'Pot'	Impacted Mods	Impact
Mods with an approval date after 4 August 2019 and an implementation date on or before 25 June 2020	P354, P385, P386, P388, P394, P403	A 'mop up' consultation run by NGESO requiring Authority decision in advance of 25 June 2020
Mods scheduled to be in the Report Phase as of 25 June 2020	<b>P375</b> , P398*, <b>P399</b>	Delay commencement of Report Phase until after 25 June 2020
Mods scheduled to be in the Assessment Procedure as of 25 June 2020	P332*, P376*, P379*, P395*	Progressed through the P392 procedure following 25 June 2020

\* may impact Article 18 Terms and Conditions but this has not yet been confirmed

- EBGL change process makes no provision for urgent changes
  - Panel/Ofgem may be required to decide between EBGL non-compliance and impact on industry



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## Modification Update: P375

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'Settlement of Secondary BM Units using metering behind the site Boundary Point'

- Workgroup last met on 19 March 2020 to review impact assessments
  - Significant impact on ELEXON and market participants
  - P375 will contribute towards the facilitation of numerous industry changes
    - We have been engaging with BEIS on this
  - Legal text being finalised – 1 month
  - Impacted by EBGL change process – 2 months
  - Potential delay due to Covid-19? – [3] months?
- The Workgroup request a three month [+3 months] extension to the Assessment Procedure, returning with the Assessment Report to the July [/October] 2020 Panel meeting, after the planned implementation of P392.

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# Modification Update: P395

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'Excluding generators from BM Unit Gross Demand and the calculation of EMR Supplier Charges'

- First meeting held on 19 Feb 20 to review terms of reference
  - Agreed first terms of reference 'Which imports should be chargeable?'
- P395 builds on:
  - P344 – expected to be fully implemented on 25 June 2020
  - P375 – implementation not agreed, but likely to be 2022
  - P383 – approved for implementation on 1 April 2021
- P395 targeting earliest available implementation. We believe this can't be before P375, which will not be before Feb 2022
- Progression of P395 has been impacted by urgent treatment of P397 and P402 and P383 implementation
- Workgroup request a six month extension, returning with the Assessment Report to the October 2020 meeting
  - Not expected to impact implementation date

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## Modification Updates: P398

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### 'Increasing access to BSC Data'

- 2<sup>nd</sup> Workgroup meeting held later than originally planned due to change in approach for legal text, conflicts with other Workgroups and significant work to complete following the first meeting
  - Legal text drafting delayed so that BRs could be validated with Workgroup
  - Business Requirements (BRs) developed and high-level processes developed
- 2<sup>nd</sup> meeting held on 30 March, instead of mid to late-Feb – 1 month delay
- Potential delay due to Covid-19? – [3] months?
  
- The Workgroup therefore request a one-month + [3 months] extension returning with the Assessment Report to the June [/September] 2020 meeting
  - May require 2 month Report Phase to complete EBGL change process

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## Modification Update: P399

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- 'Making the identity of Balancing Service providers visible in the Balancing Services Adjustment Data'
- Last Workgroup meeting held on 27 March 2020 to consider impact assessments
  - NGESO proposed amended solution to reduce costs/timescales, requiring new impact assessment, which will take approx. 2 months (subject to confirmation)
  - P399 caught by EBGL change process, which will add approx. 2 months
  - Potential delay due to Covid-19? – [3] months?
- The Workgroup therefore request a two month +[3 months] extension to the Assessment Procedure, returning with the Assessment Report to the July [/October] Panel meeting

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# BSC redlining for Ofgem's switching programme

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- We delivered all documents and information to Ofgem on 31 March 2020, in line with the agreed plan
- We are continuing to engage with Ofgem on the outstanding areas (MOAs/PAF) and the Ofgem announced re-plan
  - We have extended Issue 86 to consider these areas
- We also asked the Issue 86 Group if they wanted to still issue the 4 'quick win' Change Proposals

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## Recommendations

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We invite the Panel to:

- a) **APPROVE** a three/six-month extension to the P375 Assessment Procedure;
- b) **APPROVE** a six-month extension to the P395 Assessment Procedure;
- c) **APPROVE** a one/four-month extension to the P398 Assessment Procedure;
- d) **APPROVE** a two/five-month extension to the P399 Assessment Procedure; and
- e) **NOTE** the contents of the April Change Report.

Public

# **Temporary disapplication of Supplier Charge Serials SP08 and SP04 due to COVID-19**

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301/05

9 April 2020  
Nathan Flood

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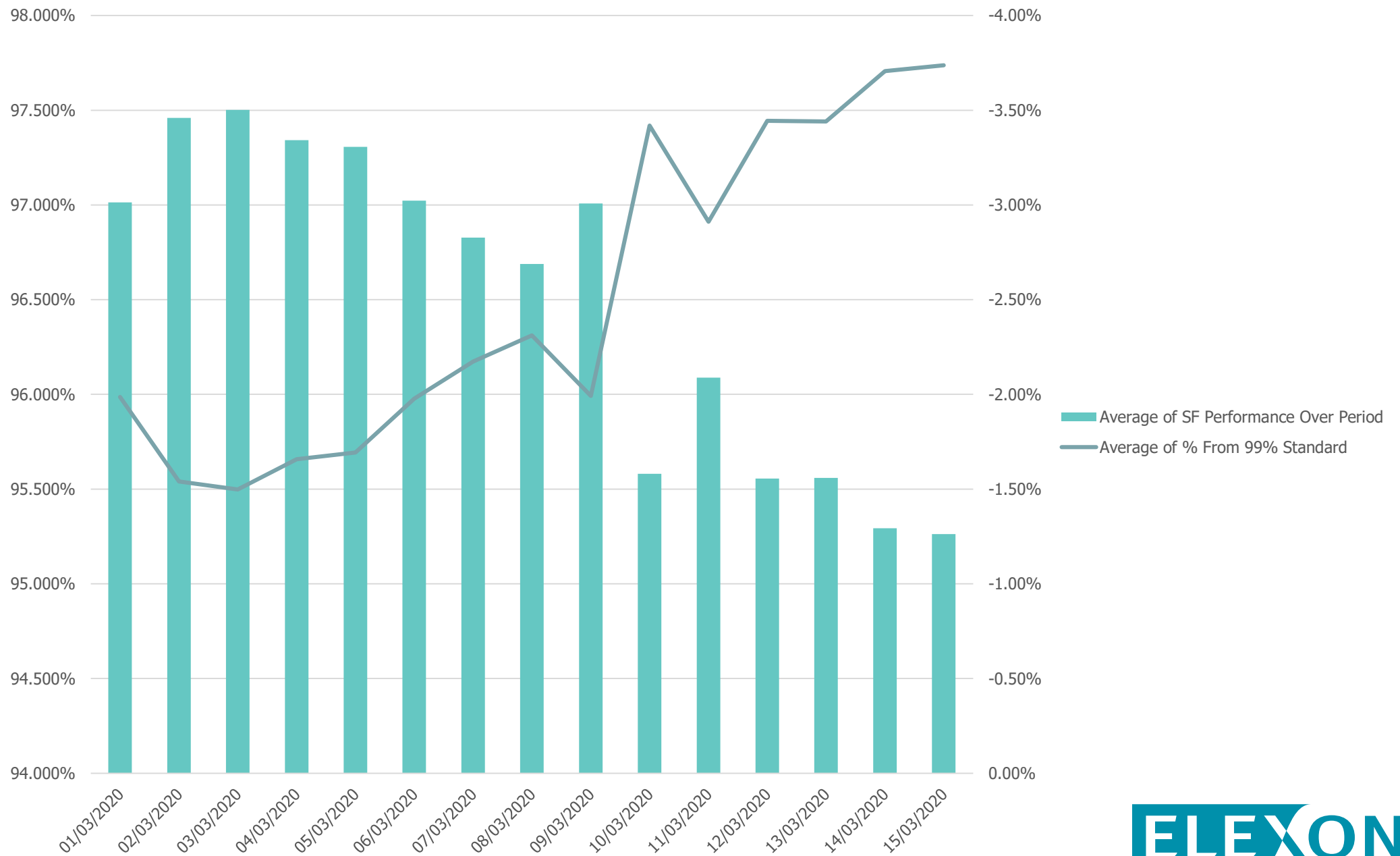
## Background (1/2)

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- COVID-19 is presenting unprecedented challenges for GB electricity market
- Ofgem has advised that they expect companies to prioritise customer and staff safety
- Suppliers and their Party Agents have had to suspend Meter read collection, Meter fixes and installations
- Settlement performance has dropped markedly
- Situation will create a surge in charges levied against Suppliers
- BSCCo intends to help mitigate the financial burden placed on parties



# Background (2/2)



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# Issue and Proposed solution

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## Issue

- Suppliers and their Party Agents are de-prioritising manual Meter reads and Meter fixes/installations while social distancing is recommended and will therefore incur additional Supplier Charges

## Proposed solution

- Set charge value to zero for Serials SP08 and SP04 for the duration of UK Government advice to socially distance
- The PAB to determine when Supplier Charges should be reinstated

## Applicable BSC Objectives

(d) Promoting efficiency in the implementation of the balancing and settlement arrangements

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# Proposed Progression (1/3)

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## **PAB Endorsement**

- Recognised that Suppliers are unable to meet performance obligations
- Requested Supplier Charges be stopped from March 2020

## **Urgency**

- The PAB believe that this Modification should be treated as an Urgent Modification
  - Suppliers and Agents unable to obtain reads through usual methods
  - Current issue may cause significant commercial impact
  - Benefit lost if Urgent status is not granted

## Proposed Progression (2/3)

### Proposed Progression Timetable – with Urgent status granted

Event	Date
Present Initial Written Assessment to Panel	09 April 2020
Consultation – 5 working days	14 April 2020 – 20 April 2020
Present Draft Modification Report to Panel	Week commencing 20 April 2020
Issue Final Modification Report to Ofgem	Panel considers Draft Modification Report +1 Working Day
Implementation Date	11 May 2020

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## Proposed Progression (3/3)

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### Report Phase

- Self evident solution for the duration of the COVID-19 pandemic

### Self-Governance

- Not self-governance as solution impacts Self-Governance criterion
- Impacting competition in the generation, distribution, or supply of electricity

### Implementation Date

- Requested for 11 May 2020

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# Impacts & Costs

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## Impacts & Costs

- Suppliers, Interconnector Users and Generators
- There will be no system costs as a result of the PARMS system parameter change
- Central implementation costs of £720

## Consultation Questions

- We propose asking the standard questions as part of the Report Phase consultation, including on impacts and costs

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## Recommendations (1/3)

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We invite the Panel to

- a) **RAISE** the Modification Proposal in Attachment A (in accordance with F2.1.1(d)(vi));
- b) **RECOMMEND** to the Authority that this Modification should be treated as an Urgent Modification Proposal;
- c) **AGREE** the Urgent progression timetable for recommendation to the Authority;
- d) **AGREE** that this Modification progresses directly to the Report Phase;
- e) **AGREE** that this Modification **DOES** better facilitate Applicable BSC Objective (d);
- f) **AGREE** an initial recommendation that this Modification should be **approved**;

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## Recommendations (2/3)

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- g) AGREE** an initial Implementation Date of
- 11 May 2020 if the Modification is granted Urgent status and an Authority decision is received by 05 May 2020; or
  - 25 June 2020 if the Modification is not granted Urgent status and an Authority decision is received by 18 June 2020.
- h) AGREE** the draft legal text
- i) AGREE** an initial view that this Modification should not be treated as a Self-Governance Modification; and



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## Recommendations (3/3)

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**j) NOTE** that ELEXON will:

- 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
- 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.

Public

# **Allow notices via email where currently prohibited**

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301/06

9 April 2020  
Faysal Mahad

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## Background

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- BSC Section H 'General' paragraph 9.2.5 does not permit certain specific notices between ELEXON and Parties to be sent solely by email;
- To be deemed as officially received and effective, the BSC requires these notices to be sent by post or fax.

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## Issue

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The existing requirement to send hard copies of these notices is not practical during the COVID-19 pandemic for the reasons given below:

- ELEXON's office is currently closed until further notice;
- BSC Parties may be unable, or have reduced ability, to receive post (or faxes);
- Royal Mail has indicated potential reductions in postal services levels, impacting the BSC's rule that notices sent by first-class post are deemed to have been received two days after sending; and
- the Government notes that using alternative communication methods will minimise the need for members of the public or the postal workforce to travel unnecessarily. The Government also notes that potential disruption to the post service may reduce the practicality of sending time-critical formal documents by post.

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## Proposed solution

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- Delete all the existing exceptions to use of email listed in paragraph H9.2.5, which currently prohibit the sole use of email for certain specified notices.
- Electronic signatures or electronically-scanned letters are legally acceptable where notices need to be signed (and there are no other specified requirements to the contrary).

### Benefits

This Proposal will:

- Modernise the available communication methods for all notices under the BSC;
- Enable the benefits of email (e.g. speed of communication, reduced use of paper) to apply to all notices; and
- Mitigate the immediate practical issues posed by having to send hard-copy communications during the COVID-19 pandemic.

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## Applicable BSC Objectives

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### **Applicable BSC Objective (d)**

Allowing the option to use email for all BSC notices will better facilitate BSC Applicable Objective (d). It will not only remove issues with sending hard copies during the COVID-19 pandemic, but will enable the other benefits of email for these communications.

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# Proposed Progression

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## Self-Governance

- This Modification Proposal should be progressed as a Self-Governance Modification

## Progression Plan

- Report Phase Consultation (12 WDs) – **15 April 2020 - 30 April 2020**
- Draft Modification Report presented to Panel – **14 May 2020**
- Final Modification Report published – **18 May 2020**
- Self-Governance Appeal Window (15 WDs) – **15 May 2020 – 5 June 2020**

## Implementation Date

- We recommend an Implementation Date of:
  - 8 June 2020 as a Standalone BSC Release.

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# Costs and impacts

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## Costs

- ELEXON will be required to implement the new legal text and update internal processes. The central implementation costs will be approximately £500, two ELEXON working days of effort.

## Impacts

- This Modification will impact any Party or Party Applicant that is required to send or receive a notice that is not currently permitted via email. It may require Parties to change processes and documentation to recognise the new ability to send or receive these notices by email.



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## Recommendations

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We invite the Panel to:

- a) **RAISE** the Modification Proposal in Attachment A in accordance with F2.1.1(d)(i);
- b) **AGREE** that the Modification should progress directly to the Report Phase;
- c) **AGREE** that the Modification:
  - i. **DOES** better facilitate Applicable BSC Objective **(d)**;
- d) **AGREE** an initial recommendation that the Modification be **approved**;
- e) **AGREE** an initial Implementation Date of:
  - i. 8 June 2020 as a Standalone BSC Release;
- f) **AGREE** the draft legal text;
- g) **AGREE** an initial view that the Modification should be treated as a Self-Governance Modification; and
- h) **NOTE** 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.



# Break

11:25 to 11:40

**ELEXON**

Public

# **P404 'Moving the SAD to a Category 3 BSC Configurable Item'**

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301/07

9 April 2020  
Matthew Woolliscroft

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## P404: Issue and solution

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### Issue

- Changes to the SAD must be made through the CP process
- There is an opportunity to make the SAD more flexible ensure alignment with the RER, ROP and PAB Strategy
  - This will ensure the SAD continues to provide assurance that participants can fulfil their BSC role and obligations

### Solution

- Move the SAD and its associated documents to a new Category 3 BSC Configurable Item under PAB control
- The new document will have its own amendment process.
  - PAB shall review at least annually
  - The PAB will not be required to consult with Parties unless it believes appropriate
- Parties will no longer be able to propose changes through the CP process, but will still be actively engaged in the development of the RER and ROP, which will be reflected in updates to the SAD

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## P404: Panel's initial views

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The Panel initially:

- a) **AGREED** that the Modification:
  - i. **DOES** better facilitate Applicable BSC Objective **(d)**;
- b) **AGREED** an initial recommendation that the Modification be **approved**;
- c) **AGREED** an initial Implementation Date of:
  - i. 25 June 2020 as part of the June 2020 BSC Release;
- d) **AGREED** the draft legal text; and
- e) **AGREED** an initial view that the Modification should be treated as a Self-Governance Modification.

## P404: Report Phase Consultation responses (1 of 2)

Question	Yes	No	Neutral	Other
Do you agree with the Panel's initial view that P404 does better facilitate Applicable BSC Objective (d) than the current baseline?	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
Do you agree with the Panel's initial recommendation that P404 should be approved?	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
Do you agree with the Panel's initial view that the redlined changes to the BSC deliver the intent of P404?	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
Do you agree that the draft Category 3 BSC Configurable Item in attachment B delivers the intent of P404? Do you agree that the draft Category 3 BSC Configurable Item in attachment B delivers the intent of P404?	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>

## P404: Report Phase Consultation responses (2 of 2)

Question	Yes	No	Neutral	Other
Will P404 impact your organisation?	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>
Will your organisation incur any costs in implementing P404?	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>
Do you agree with the Panel's recommended Implementation Date?	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
Do you agree with the Panel's initial view that P404 should be treated as a Self-Governance Modification?	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>

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## P404: Recommendations

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We invite the Panel to:

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



Public

# **P403 'BSC Arrangements in the event that the TERRE Market is suspended by National Grid ESO'**

Panel 301/08

9 April 2020  
Faysal Mahad

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## P403: Background

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### Issue

- There are currently no Settlement provisions within the BSC for the event that National Grid Electricity System Operator (NGESO) decides to suspend the Trans European Replacement Reserves Exchange (TERRE) market. Market Participants would therefore not have clarity that the TERRE arrangements are suspended nor how balancing and Settlement would work in that situation.

### Proposed Solution

This Modification proposes to amend the BSC to define rules for:

- TERRE-related data in the event of system outages;
- TERRE-related Settlement processes in a TERRE Market suspension scenario; and
- TERRE-related Settlement processes in a contingency scenario.

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## P403: Panel's initial views

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The Panel unanimously initially agreed:

- **AGREED** that P403 progresses directly to the Report Phase;
- **AGREED** that P403:
  - **DOES** better facilitate Applicable BSC Objective (a)
  - **DOES** better facilitate Applicable BSC Objective (e);
- **AGREED** an initial recommendation that P403 should be **approved**;
- **AGREED** an initial Implementation Date of:
  - 28 May 2020 as an ad-hoc Release;
- **AGREED** the draft legal text; and
- **AGREED** an initial view that P403 should be treated as a Self-Governance Modification.

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## **P403: Report Phase Consultation responses**

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- The Report Phase Consultation did not receive any responses

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## P403: Recommendations

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We invite the Panel to:

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

Public

# **P390: Allowing extensions to ELEXON's business and activities, subject to additional conditions**

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301/09

9 April 2020  
Ivar Macsween

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## P390: Background and Solution

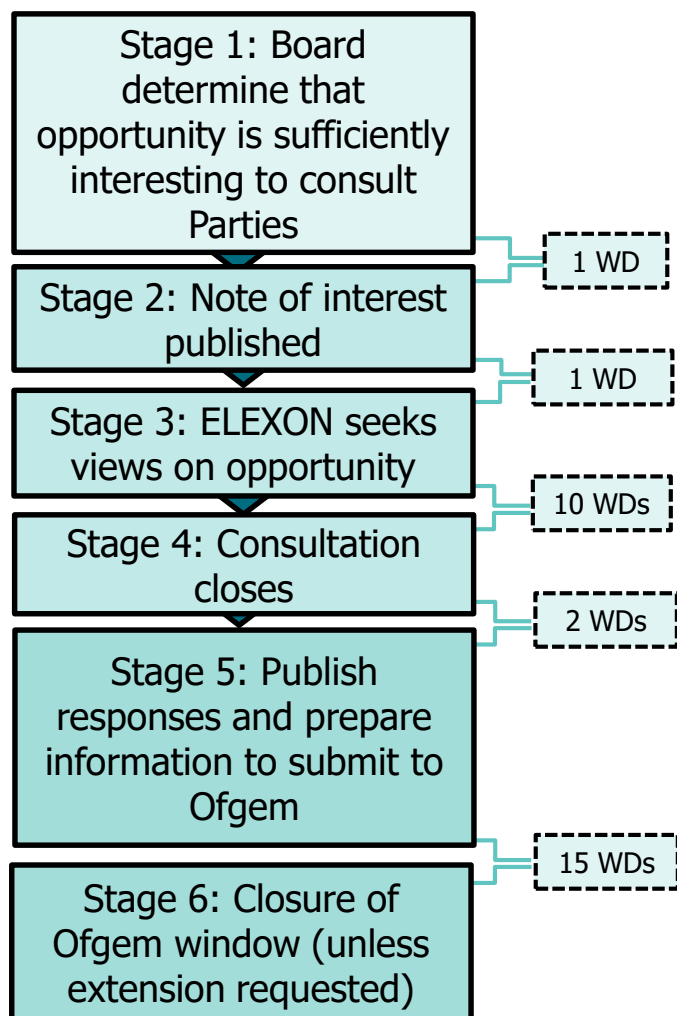
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- The BSC restricts the activities of ELEXON and in the absence of a specific Modification any additional activities cannot be pursued by ELEXON.
- Receiving industry support for taking on new activities, such individual Modifications to extend ELEXON's vires are time consuming and can be an unnecessary distraction for industry.
- They can also result in ELEXON being unable to pursue an opportunity within a required timeframe.
- BSC Section C can be amended to remove the need for Modifications to be progressed to expand ELEXON's vires to areas which meet the P390 conditions, have been subject to consultation and Ofgem consent.
  1. Expenditure
  2. Conditions
  3. Consultation
  4. Ofgem Window

# P390: Solution summary

## Before issuing:

1. Information on role nature and scope gathered
2. Board paper drafted
3. Consultation paper drafted



	M	Tu	W	Th	F
Week 1			1 04-Mar	2 5	3 6
Week 2	9	10	11	12	13
Week 3	16	17	18	4 19	20
Week 4	5 23	24	25	26	27
Week 5	30	31	01-Apr	2	3
Week 6	6	7	8	9	6 10-Apr
Week 7	13	14	15	16	17
Week 8	20	21	22	23	24
Week 9	27	28	29	30	1
Week 10	04-May	5	6	7	8
Week 11	11	12	13	14	15
Week 12	18	19	20	21	22

Total time :  
28 Working Days





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# P390: Impacts, Costs and Implementation

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## **Costs**

- Central implementation costs for this Modification will be approximately £360 to make the required document changes to BSC Section C and Annex X-1.
- No system changes are required for this Mod and there will be no impacts on BSC Agents. ELEXON provisionally estimates 2 days effort to change the documents.
- No significant ongoing operational costs for ELEXON.

## **Likely Impacts**

- BSC Section C 'BSCCo and its Subsidiaries' & Annex X-1 'General Glossary'
- No identified direct impact on BSC Parties
  - P390 only seeks to allow for ELEXON to be able to undertake additional activities and business

## **Implementation**

- The Workgroup recommends an Implementation Date for P390 of 5 Working Days after Authority approval.

## P390: Assessment Consultation responses

Question	Yes	No	Neutral	Other
1: Do you agree with the Workgroup that the P390 solution should not include a dedicated Panel approval mechanism for expansions to ELEXON's role?	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>
2: Do you agree with the Workgroup's initial unanimous view that P390 does better facilitate the Applicable BSC Objectives than the current baseline?	<b>5</b>	<b>1</b>	<b>0</b>	<b>0</b>
3: Do you agree with the Workgroup that the draft legal text in Attachment A delivers the intention of P390?	<b>5</b>	<b>1</b>	<b>0</b>	<b>0</b>
4: Do you agree with the Workgroup's recommended Implementation Date?	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>
5: Do you agree with the Workgroup that there are no other potential Alternative Modifications within the scope of P390 which would better facilitate the Applicable BSC Objectives?	<b>4</b>	<b>1</b>	<b>1</b>	<b>0</b>
6: Will P390 impact your organisation?	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>
7: Will your organisation incur any costs in implementing P390?	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>
8: How long (from the point of approval) would you need to implement P390?	<b>No lead times identified</b>			

---

## P390: Workgroup views against BSC Objectives

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- The Workgroup **unanimously** agreed that P390 will positively facilitate Applicable BSC Objectives:
  - **Majority** support for (c):
    - facilitate the defrayment of costs to BSC Parties and reducing cost of operating in the market; and
  - **Unanimous** support for (d):
    - more efficient process and thus promoting sharing of ELEXON's fixed costs across other activities, allowing costs to BSC Parties to be defrayed.
    - Participating in the tendering process for other activities will provide a view to BSC Parties of the competitiveness of ELEXON in delivering its existing obligations and be used to consider efficiencies.
- Unanimously believe the P390 solution is neutral against Applicable BSC Objectives (a), (b), (e), (f) and (g).

## P390: Terms of Reference

Term of Reference	Summary
a) Whether the safeguards proposed by P390 in addition to those developed during P330 and P365 are appropriate?	Workgroup proposed additional safeguards and are satisfied that these are appropriate.
b) Whether there will be a direct impact on BSC Parties resulting from implementation of the P390 solution?	None identified.
c) What mechanisms should be put in place to ensure BSC Parties benefit from the activities of ELEXON's subsidiaries?	Included as P390 condition.
d) How to ensure that ELEXON is not cross-subsidising the subsidiaries?	Already included in BSC, but specifically mentioned in P390 Legal Text.
e) Will the proposed solution have an effect on consumers?	None identified.

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## Recommendations

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We invite the Panel to:

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

Public

# **P392 – Amending BSC Change Process for EBGL Article 18**

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301/10

09 April 2020  
Craig Murray

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## P392 – Background and Defect

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- Article 18 of the EBGL required the TSO to develop a proposal for Terms and Conditions (Ts & Cs) for Balance Service Providers (BSPs) and Balance Responsible Parties (BRPs)
- Final proposal submitted to Ofgem by NGESO on 4 August 2019 details that the Ts & Cs are constituted within the provisions of the BSC, CUSC and Grid Code
- Ofgem stipulated that the A18 T&Cs would take effect on 25 June 2020

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## P392 – Background and Defect

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- EBGL has its own change process for any future amendments to the A18 Ts & Cs
- NGESO has delegated the necessary responsibilities to BSCCo and the Panel
- P392 required to ensure a compliant process to change BSC provisions once the delegations from NGESO become effective
- Aligning the EBGL and BSC change processes ensures a clear and efficient process for market participants and Ofgem



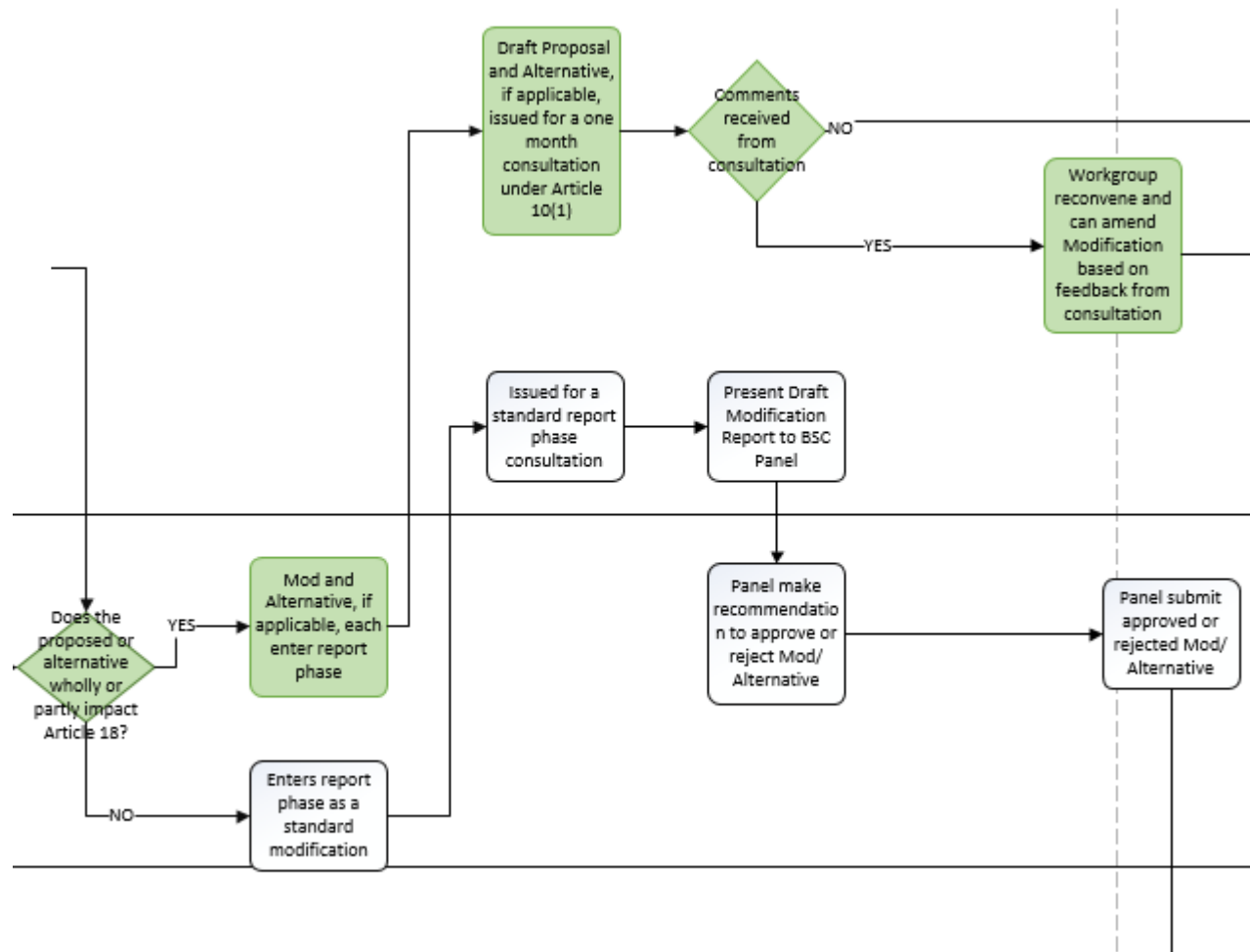
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## P392 - Solution

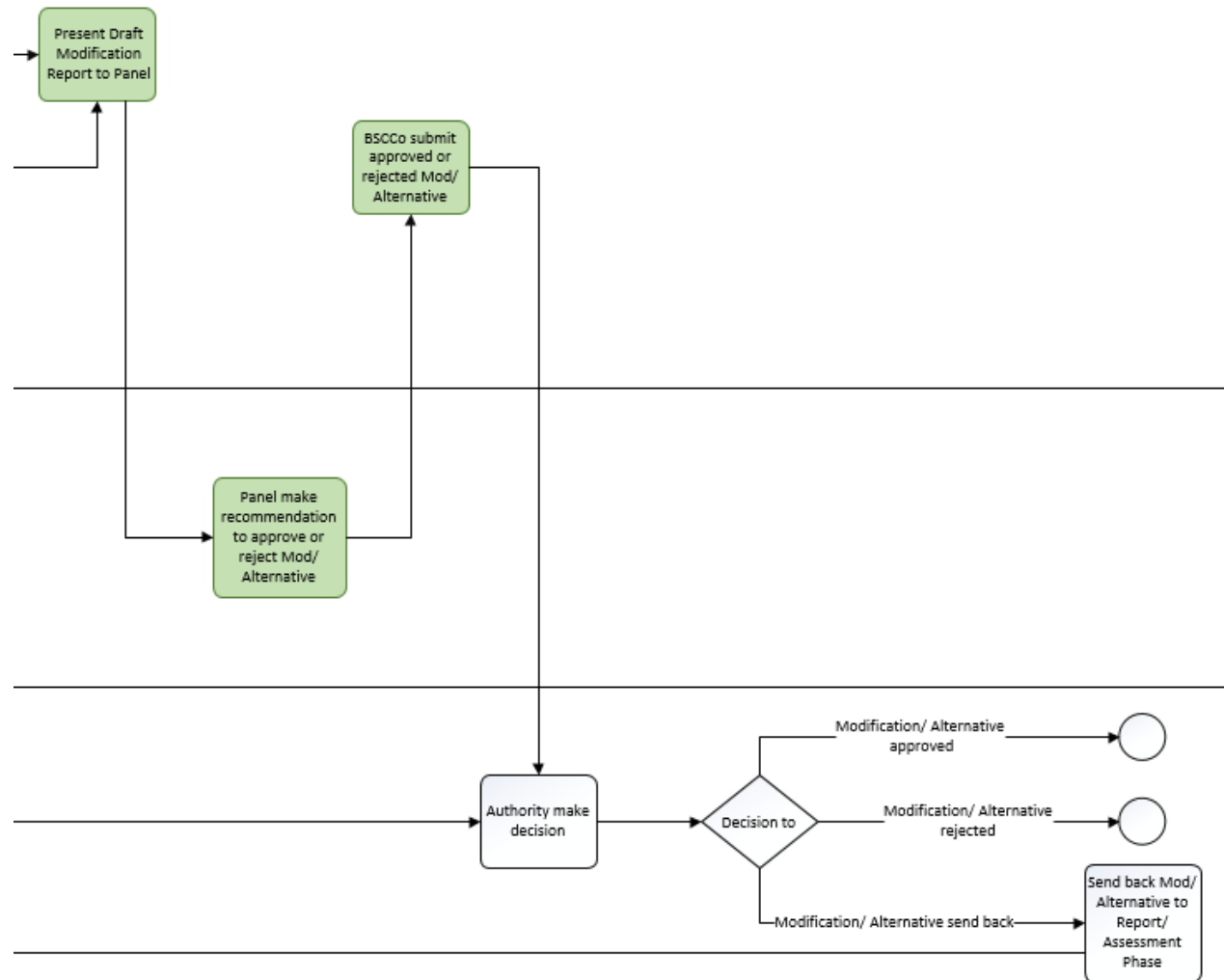
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- P392 will update the relevant BSC processes to capture the powers and obligations delegated to ELEXON and the BSC Panel from NGESO
- Introduces an amended change process that shall apply to any BSC Modification proposal seeking to amend the BSC legal text that (wholly or partially) constitutes EBGL Article 18 Ts & Cs. This will include:
  1. Provisions in the BSC recognising that a BSC Modification which impacts the A18 Ts & Cs will be treated as a “draft proposal” for the purposes of EBGL;
  2. A one month industry consultation on the “draft proposal” under Article 10 of the EBGL, achieved by extending the timescales of the Report Phase Consultation;
  3. Publication of the justifications for including or not including the consultation respondents’ views in the solution;
  4. Submission of the A18 proposal to the Authority for decision under Article 4; and
  5. A process to allow the Authority to request amendments to an A18 proposal.

## P392 - Solution



# P392 - Solution



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## P392 – Impact and Costs (1/2)

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### Market Participants

#### ■ Impacts

- BSC Parties/Party Agents/interested third parties engaged in the BSC Modifications process
- NGESO

#### ■ Costs

- Two respondents noted P392 would impact their organisation, but neither noted that it would incur any direct costs

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## P392 – Impact and Costs (2/2)

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### ELEXON

#### ■ **Impacts**

- BSC Modification process
  - Changes will be required to local working procedures to ensure the P392 process is implemented within the operational BSC Change process

#### ■ **Costs**

- ~£2640 to implement the document-only changes

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## P392 – Implementation Approach

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- The P392 Proposer and Workgroup unanimously recommend an Implementation Date for P392 of:
  - **25 June 2020** as part of the June 2020 BSC Release
- This aligns to the expected completion date of P392 as outlined by Ofgem in its letter to the Panel on 6 February 2020

## P392 – Assessment Consultation responses (1/4)

Question	Yes	No	Neutral	Other
Do you agree with the Workgroup's initial unanimous view that P392 does better facilitate the Applicable BSC Objectives than the current baseline?	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>
Do you agree with the Workgroup that the draft legal text in Attachment A delivers the intention of P392?	<b>3</b>	<b>1</b>	<b>0</b>	<b>0</b>
Do you agree with the Workgroup's recommended Implementation Date?	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>
Do you agree with the Workgroup that there are no other potential Alternative Modifications within the scope of P392 which would better facilitate the Applicable BSC Objectives?	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>

## P392 – Assessment Consultation responses (2/4)

Question	Yes	No	Neutral	Other
Do you agree that P392 does not meet the Self-Governance Criteria and so should not be progressed as a Self-Governance Modification?	<b>4</b>	<b>2</b>	<b>0</b>	<b>0</b>
Will P392 impact your organisation?	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>
Will your organisation incur any costs in implementing P392?	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>
Do you agree that only BSC Modifications impacting Article 18 T's and C's should be subject to the Article 18 EBGL Modification process?	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>



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## P392 – Assessment Consultation responses 3/4

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Respondent's comment on the legal text:

- EBGL Objectives should be explicitly noted in the legal text to ensure clarity on how Modifications are assessed against EBGL
- Amended text to address concerns, but maintained flexibility as the EBGL Objectives are not as explicitly outlined in a manner similar to the Applicable BSC Objectives

---

## P392 – Assessment Consultation responses (4/4)

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Following conversations with the respondent, the following amendment has been made to the Section X-1 legal text:

"EBGL Objectives":

means the objectives referred to in Article 5(5) of the EBGL including those objectives set out in the recitals and Article 3 of EBGL;

## P392 – Workgroup views against BSC Objectives

Obj	Proposer	Workgroup	Comments
(a)	Positive	Positive (majority)	P392 and the NGESO delegations are more efficient than the EBGL Article 18 change process applied without them <b>ONE NEUTRAL</b>
(b)	Neutral (unanimous)		This objective is not impacted by P383.
(c)	Neutral (unanimous)		This objective is not impacted by P383.
(d)	Positive	Positive (majority)	P392 is the most efficient means of delivering the solution in the BSC, reflecting the delegations <b>TWO NEUTRALS</b>
(e)	Positive	Positive (unanimous)	P392 will ensure BSC Modifications that impact Article 18 Ts & Cs can be progressed in compliance with EBGL change provisions
(f)	Neutral (unanimous)		This objective is not impacted by P383.
(g)	Neutral (unanimous)		This objective is not impacted by P383.

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## P392 – Self-Governance

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- The P392 Workgroup unanimously voted that P392 should **not** be treated as a Self-Governance Modification:
  - P392 has a material impact on Self-Governance criteria (a) (v) – the Code’s governance or Modification procedures

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## P392 – Legal Text

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- The P392 Workgroup unanimously agreed that the draft legal text succeeds in delivering the intention of the P392 solution

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## P392 - Recommendations

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We invite the Panel to:

**a) AGREE** that P392:

- **DOES** better facilitate Applicable BSC Objective (a);
- **DOES** better facilitate Applicable BSC Objective (d); and
- **DOES** better facilitate Applicable BSC Objective (e);

**b) AGREE** an initial recommendation that P392 should be **approved**;

**c) AGREE** an initial Implementation Date of:

- 25 June 2020 if an Authority decision is received on or before 18 June 2020;

**d) AGREE** the draft legal text;

**e) AGREE** that P392 is submitted to the Report Phase; and

**f) NOTE** 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.



# Lunch

12:35 to 13:05

Public

# Minutes of Previous Meeting(s) & Actions Arising

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Jason Jackson

**ELEXON**



Public

# Chairman's Report

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Michael Gibbons

**ELEXON**

Public

# ELEXON Report

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301/01

Mark Bygraves

**ELEXON**

Public

# Distribution Report

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David Lane

**ELEXON**

Public

# National Grid Report

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Jon Wisdom

**ELEXON**

Public

# Ofgem Report

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Colin Down

**ELEXON**

Public

# Panel Committee Reports

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301/01B,C,D,E

Public

# Trading Operations: BSC Operations Headline Report

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301/02

Public

# System Price Analysis Report

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ISG228





External

# Foundation Programme

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Panel Progress Update

Peter Stanley

9 April 2020

# Delivering ELEXON's Digital Platform

Digitalising our services, creating a customer-centric digital platform delivering a smart and flexible central solution for the industry, which will be delivered through a number of releases over the next few years.

## Customer solution

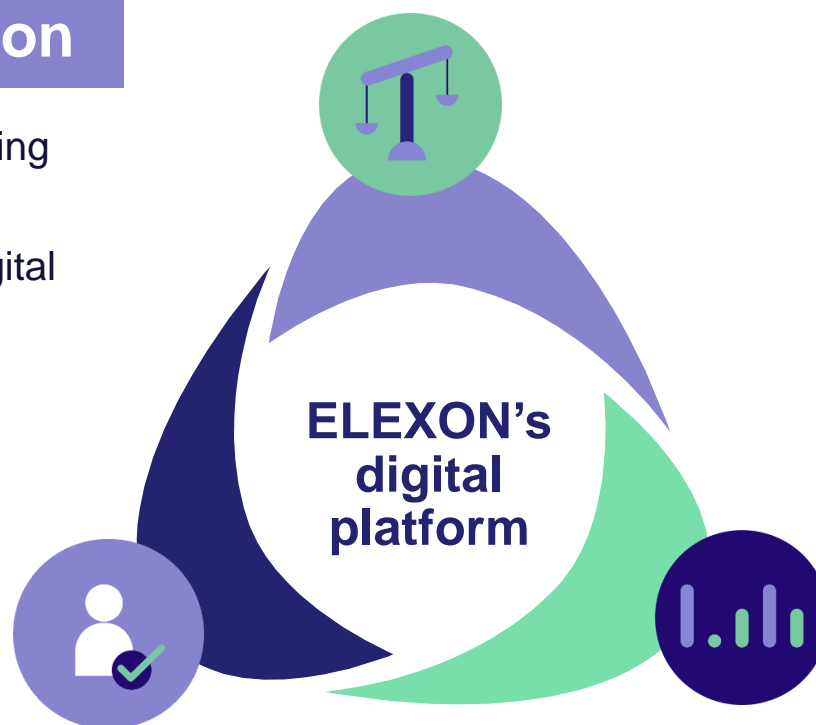
- ✓ simplifying and automating processes
- ✓ providing an intuitive digital front end
- ✓ aiding market entry and registration for new and existing entrants

## Settlement solution

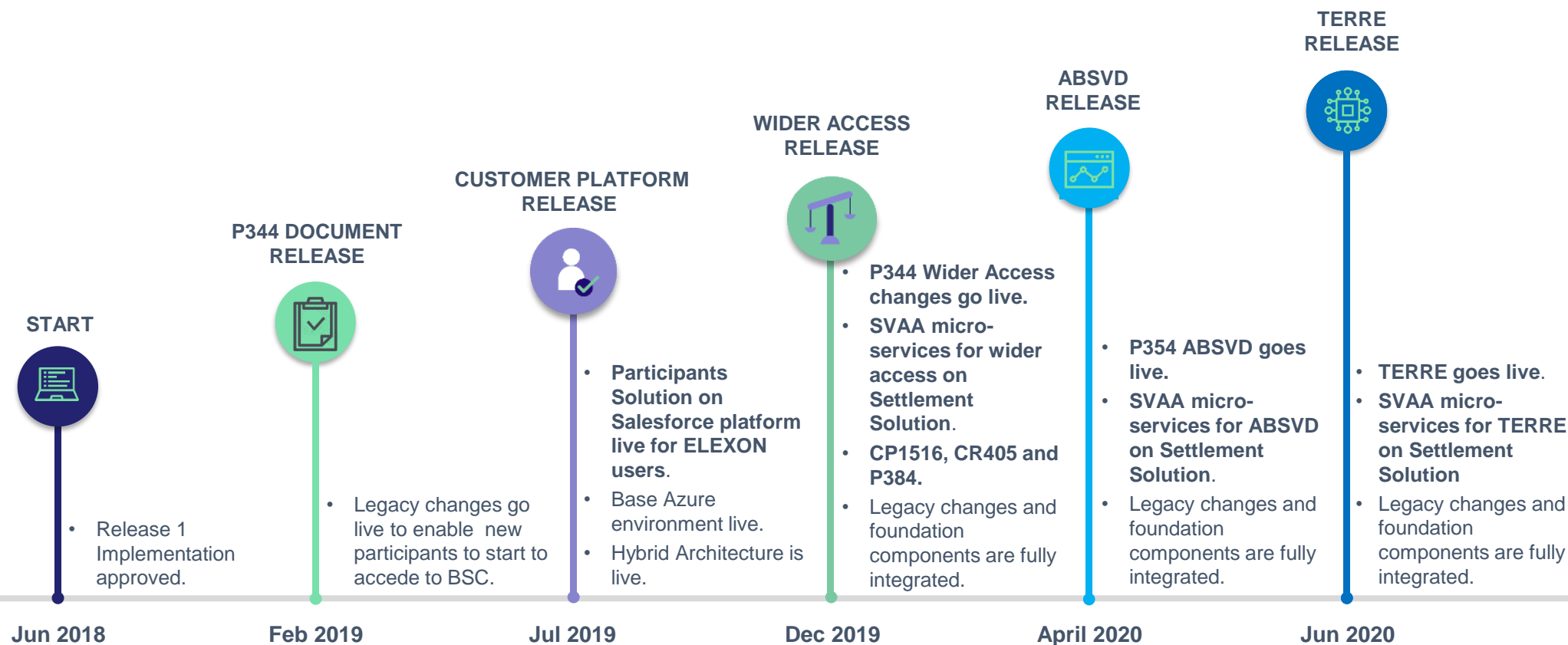
- ✓ to perform scalable, flexible and modular settlement operations

## Insights solution

- ✓ using open cloud services to receive, process and publish data for the industry



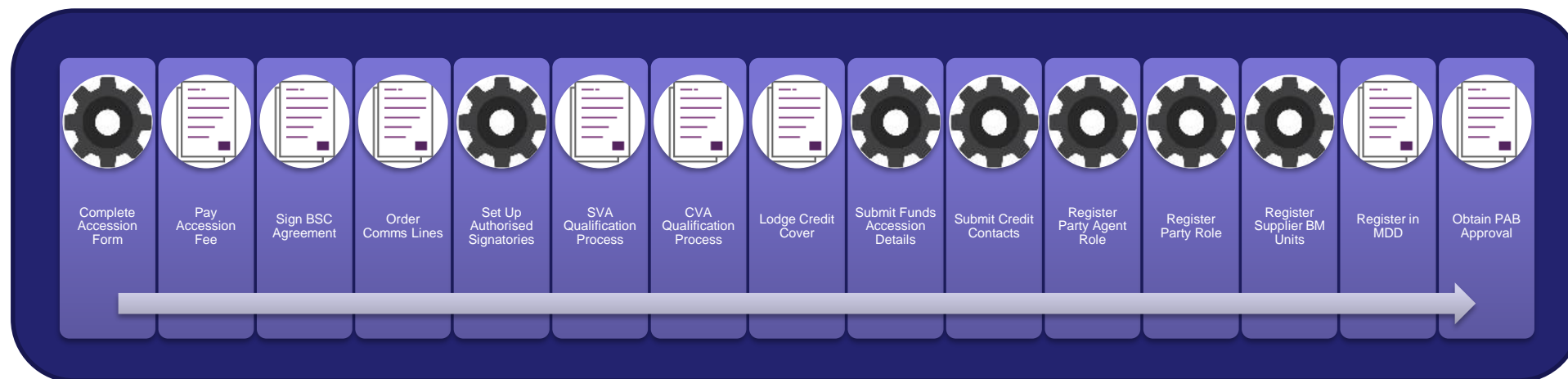
# Release 1 Deliverables



**We delivered complex business as usual in parallel, as well as the adding capabilities to support transformation and innovation in the industry.**

# Customer Solution – what's been achieved so far?

## Market Entry & Registrations Process



## Release One



Customer Solution

$$= \text{gear icon} = 47\%$$

Automated

**New capabilities for VLP registration and asset management, delivered on the customer solution that launched internally in Release 1**

# Settlement Solution – what's been achieved so far?

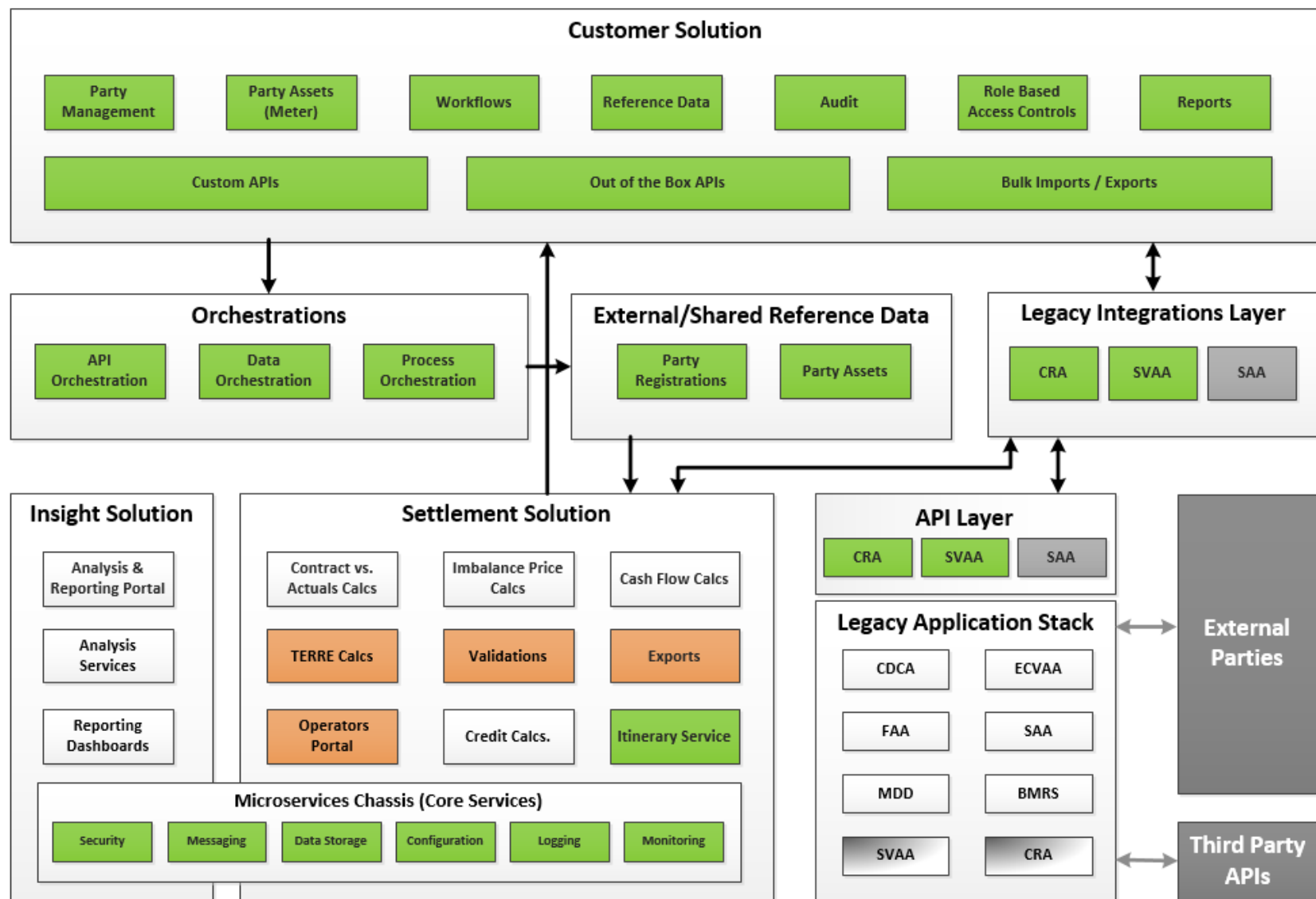
1. Established the framework for the settlement solution, from the ground up, in cloud, using micro services architecture.
2. Implemented the new SVAA capabilities for P344 and P354 as micro services onto the settlement solution framework.
3. Introduced the settlement Operator Portal to provide a single pane of glass of what's happening 'under the hood':

The screenshot displays the Elexon Settlement Operator Portal dashboard. The interface includes a sidebar with navigation links: Dashboard, File Tracking, Aggregation Tracking, View Calendar, Pipeline Tracking, and Error Management. The main content area is divided into several sections:

- Summary Metrics:** Total Received (3 Today), Incoming File Rejections (0 Last 5 Minutes), Incoming File Rejections (0 Last Hour), Incoming File Rejections (1 Today), Errors Reported (7 Today), and Warnings (151 Today).
- Incoming File Rejections (Today - Last 20):** A table with columns File Name and Time. One entry is shown: D0385201908090001.usr at 11:21:46.
- Metered Volumes (D0385):** A table with columns Date and Status. Data for dates 24 Oct 2019 to 29 Oct 2019 is shown, with statuses like Received, Not Received, and No Scheduled.
- Delivered Volumes (P0282):** A table with columns Date and Status. Data for dates 24 Oct 2019 to 29 Oct 2019 is shown, with statuses like Not Received, Received, and No Scheduled.
- Error (Today - Last 10):** A table with columns Time, Component Type, and Message. Multiple entries for Report Creation with error messages like ERR-MDR01-001 are listed.
- Warning (Today - Last 10):** A table with columns Time, Component Type, and Message. Multiple entries for Calculation Services with warning messages like WARN-DVA01-003 are listed.

The dashboard also shows a footer with the text "Copyright Elexon © 2019" and a user profile section with the email "Hello Bateman@systems.elexon.co.uk" and a "Sign out" link.

# Progress to date



Legend:

Delivered

In Progress

Partially Migrated

Legacy Agents

External Parties

As-Is Integrations

New Integrations



**What next?**

# Release 2 Scope and Approach

- We have assessed the change pipeline to identify candidates for the next release of the Foundation Programme.
- We are taking a risk adjusted approach to Release 2 by balancing the delivery of industry change with the progress of re-platforming our core systems through the foundation programme.

## Functional scope of Release 2 across the three solutions

### Customer solution

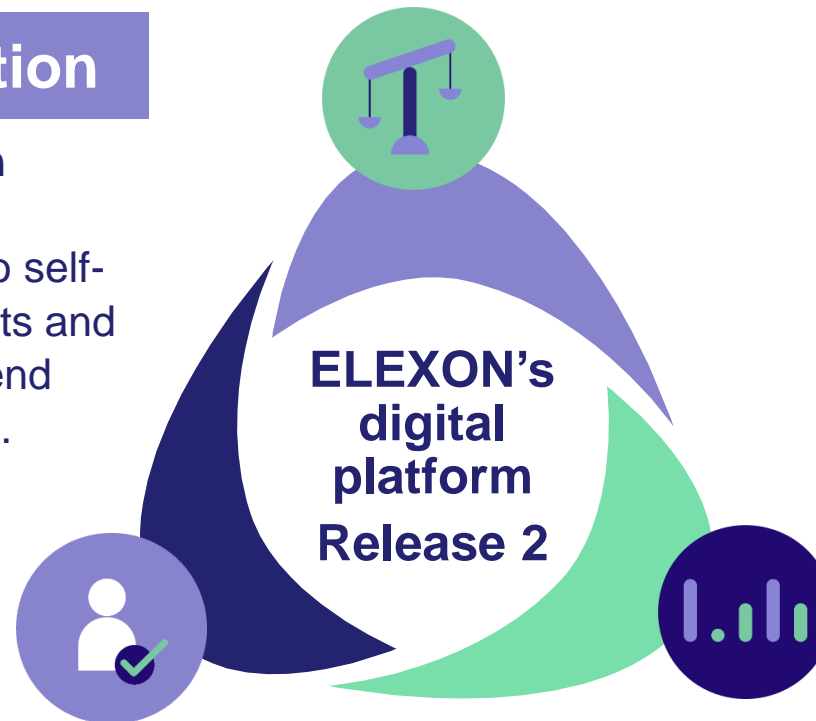
- ✓ **Launch the solution externally;** giving participants access to self-manage their accounts and complete an end-to-end market entry process.

### Settlement solution

- ✓ Development of the **SAA micro services onto the platform.**
- ✓ Decommission legacy SAA.

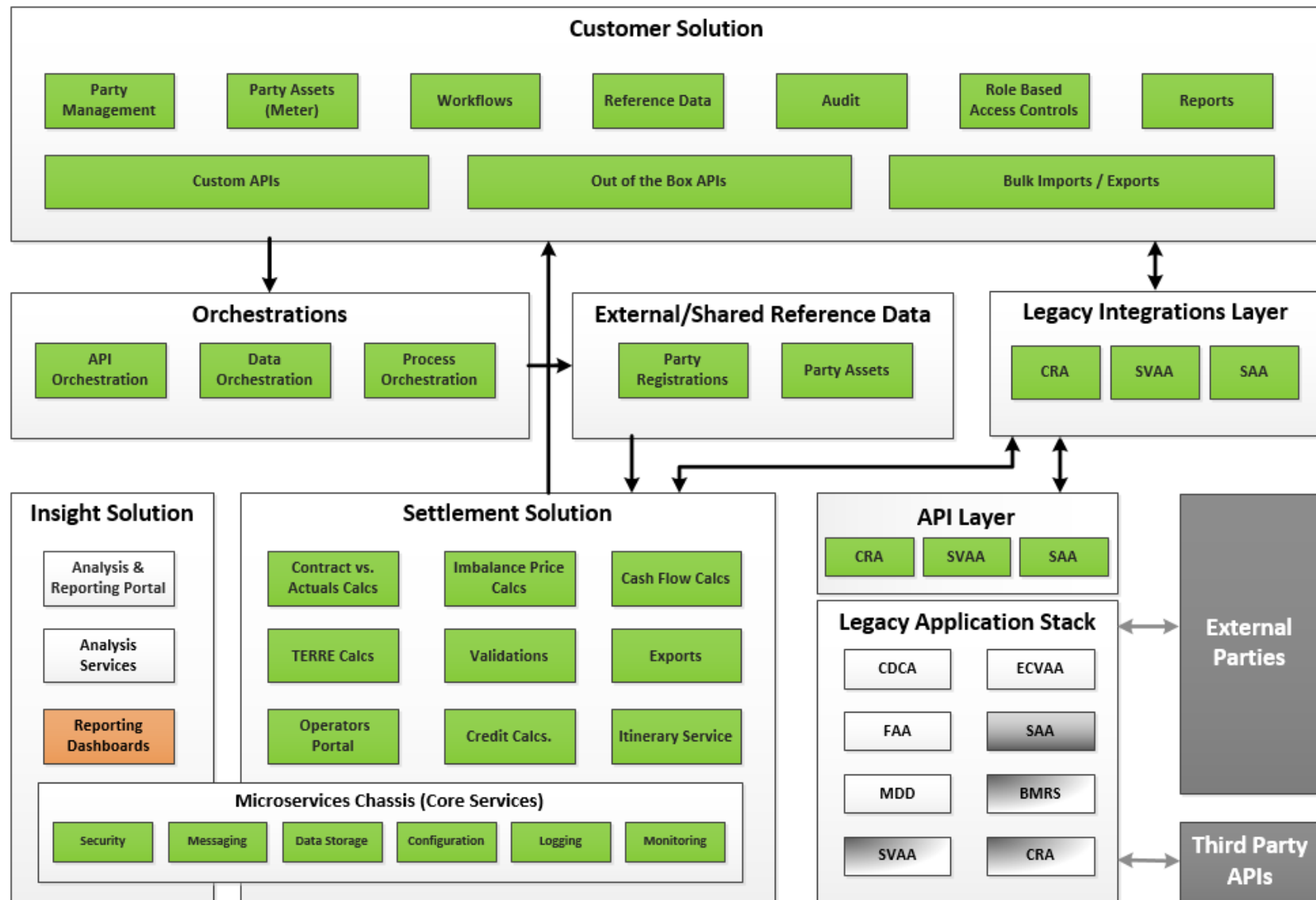
### Insights solution

- ✓ Deliver publishing of **BMRS interconnector reporting data & fuel type configurations**





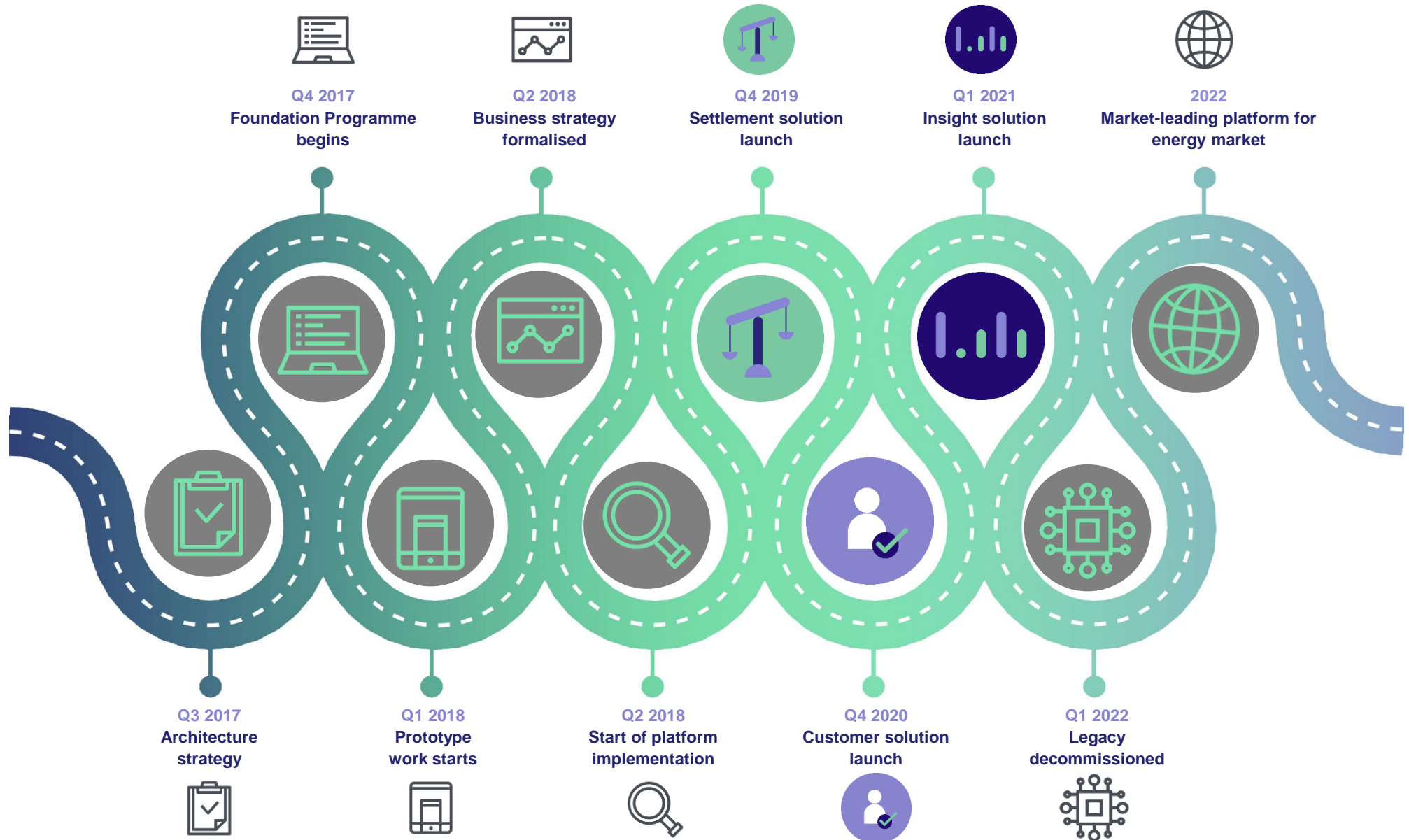
# Release 2 Goal



Legend:



# Our journey to market-leading platform





**Any questions?**



# Break

14:00 to 14:15

Public

# Letter of Credit Template Updates

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301/12

09 April 2020  
Darren Draper

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# Recommendations

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The Panel is invited to:

- a) **APPROVE** Letter of Credits can be signed electronically;
- b) **APPROVE** Letter of Credits can be claimed electronically;
- c) **APPROVE** Letter of Credit claim documentation can be signed electronically; and
- d) **APPROVE** Letter of Credit claim documentation no longer needs a countersignature from our bankers.

Public

# BMRS Change Board Terms of Reference Update

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301/13

9 April 2020  
Jason Jackson

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## Proposed Amendment

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- The BCB currently has four appointed Members.
- ELEXON has made extensive efforts to recruit a fifth Member.
- Due to the requirement within Terms of Reference for the committee to comprise at least five members, the BCB is unable to pass decisions.
- BCB ToR already provides that a Quorum shall comprise at least four members.
- ELEXON's view is that that the requirement for the committee to comprise at least five members should be removed.



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## Recommendations

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The BSC Panel is invited to:

- a) **APPROVE** the proposed amendment to the Terms of Reference for the BCB.

Public

# Potential Impacts of Wrongful Trading Law Suspension on Section H Default Approach

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301/15

9 April 2020  
Victoria Moxham

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# Background

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- Three month suspension of wrongful trading effective from 1 March 2020, to be brought into effect by legislation
- Part of a package of wider insolvency measures as part of the Government's Covid-19 response
- A Panel Member has asked ELEXON and the BSC Panel to consider whether changes need to be made to the treatment of Section H Default to comply with the new legislation
- ELEXON has provided a legal view of potential impacts of the suspension of wrongful trading on the Section H resolutions

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## Discretion in the lead up to Default

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- There is less discretion in taking steps to stop Parties being in default in the first place
- In the case of insolvency or credit related defaults, as soon as these events occur then a Party is in default
  - It is still open to the Panel to determine what, if any, steps to take
- Payment defaults are contingent on a Party failing to pay an invoice following a payment default notice issued by ELEXON
  - The Code does not provide any obvious discretion for ELEXON to refrain from serving a notice
  - ELEXON's legal view is therefore that for ELEXON to refrain from serving payment default notices would be a breach of the Code

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## Panel discretion in the event of Default

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- Under the BSC, the Panel has discretion as to whether, and the extent to which, it applies any of the Section H resolutions
- The Panel would need to be mindful of its objectives in Section B
- ELEXON's legal view is that the express wording in H3.2.1 clearly allows discretion to be more lenient, particularly in the current circumstances
  - notwithstanding the Panel's wider duties

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# Conclusions

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- It is ELEXON's view that suspension of wrongful trading won't have an impact on the Section H default triggers
- The Panel has sufficient discretion to comply with HMG's temporary coronavirus-related changes to wrongful trading law
- ELEXON will continue to monitor the legislation as, depending on the exact changes, there is the potential for impact on Section H

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## Recommendations

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The BSC Panel is invited to:

- a) **NOTE** the information and legal advice within this paper.