

## 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.

## 302/01 ELEXON Report BSC Panel

Date of Meeting	14 May 2020
Paper Number	302/01
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 continues to successfully 'work from home'. Our systems continue to have high availability and any impact on our services has had limited effect on our customers, however we continue to remain vigilant.

We are aware of some of the challenges to our customers arising from COVID-19 and are determined to continue to assist where we can. As such we have:

- + Progressed two Modifications to the BSC to address the risks and issues caused by the lockdown;
- + Published further details on our prioritisation approach in relation to BSC Changes; and
- + The Performance Assurance Board (PAB) has approved further derogations.

We also continue to provide support to those who have either just started a new role with a company that operates in the wholesale electricity market or are interested in the energy sector. As such we have:

- + Launched a new 'Balancing and Settlement Code for Dummies' book; and
- + Published videos for our April 'ELEXON seminar: Introduction to the energy market' which had to be cancelled due to the COVID-19 pandemic.

The usual updates on EU developments include information regarding:

- National Grid ESO's announcement to delay implementing the changes necessary which will enable industry parties in Great Britain to participate in Project TERRE (Trans-European Replacement Reserve Exchange);
- Re-starting of negotiations regarding future UK-EU trading agreement; and
- Flexitricity becoming the first Virtual Lead Party to have Bids and Offers accepted by National Grid ESO.

We have provided an update on the work of the Architecture Workgroup and Code Change and Development Group in relation to Ofgem's Market Wide Half Hourly Settlement (MHHS).

We have highlighted BEIS's smart Meter consultation in which we support the proposal for the BSC Panel to provide support and information to the SEC Panel.



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## II. Coronavirus (COVID-19) News

ELEXON is doing everything to assure the continuity of the services provided under the BSC and Electricity Market Reform (EMR). We are helping to ease the burden in relation to Settlement of our Parties where appropriate.

We will communicate any major changes to ELEXON or the BSC via our regular channels, including the following [webpage](#). Here we have addressed a number of questions or issues that may arise because of the current events.

### Managing changes to the Balancing and Settlement Code

Further to our [notice](#) issued on 14 April 2020, which detailed the principles ELEXON should work to when progressing changes to the BSC while the industry manages the impact of COVID-19, we have now published further details on the impacts of the prioritisation approach on the [COVID-19: Impact on BSC Changes](#) area of our website.

### Modifications raised to address risks and issues caused by COVID-19 lockdown

The following two BSC Modifications were raised by the BSC Panel at its meeting on 9 April 2020 to address the risks and issues caused by the COVID-19 lockdown:

- + [P405 'Allow notices via email where currently prohibited'](#) – This will allow notices that the BSC currently requires to be sent by post or fax to be sent by email, which is not currently practical.
- + [P406 'Temporary disapplication of Supplier Charge Serials SP08 and SP04 due to COVID-19'](#) - Suppliers and their Party Agents have suspended Meter read collections to align to government social distancing guidelines. However, this will impact Suppliers' ability to meet their Settlement performance standards. Ofgem granted 'Urgent' status for P406 on 16 April 2020 and subsequently an ad-hoc Panel meeting was held on 23 April 2020, where it made a unanimous recommendation to the Authority that P406 should be approved. On 5 May 2020, the Authority approved P406 for implementation on 11 May 2020 as part of an ad-hoc BSC Release.

### PAB approves further derogations in response to COVID-19

On 30 April 2020, the PAB approved further derogations from the BSC to allow:



- + Suppliers to submit new consumption estimates, either at the end of the lockdown period, or at a point where the Supplier recognises that the site has resumed operation; and
- + Data Collectors a grace period from their obligations to undertake site inspections during a lockdown and for three months following a lockdown.

The PAB also agreed that the BSC Auditor will take a pragmatic approach when assessing compliance with the Long Term Vacant (LTV) process in its assessments for the 2020/2021 audit period.

Further information, including how we will monitor the derogations and access to the updated Guidance Notes, can be found via the following [link](#).

## Mark Bygraves' interview with Energy Live News

Mark Bygraves, ELEXON's CEO, carried out an [interview](#) with Energy Live News on steps ELEXON is taking to cope with the Coronavirus crisis and ease the burden on industry.

He stressed the pandemic must not derail the drive towards reaching net zero by 2050 and that although there are more immediate challenges to be faced, the sector must not lose sight of decarbonisation and the need to continue to encourage innovation and data sharing.

## ELEXON Insight: Electricity demand down by 17% during COVID-19 lockdown

Measures put in place by the UK Government to control the COVID-19 outbreak have resulted in electricity demand falling sharply in the GB Electricity Market. In this ELEXON Insight, our Data and Insight Analyst, Nick Baker investigates the scale of the demand reduction.

Through the data that is available from the ELEXON systems, we have concluded that:

- + Demand has fallen by 17% since the lockdown measures were introduced, compared to the weeks prior to restrictions being put in place by the Government; and
- + Generally weekday demand levels across GB are now similar to the level typically seen at weekends.

The full article can be found on the following [webpage](#).

## III. ELEXON News

### Consultation Responses

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

- The Electricity Networks Association (ENA) consultation on technical revisions to the Engineering Recommendation (EREC) P24, which primarily concerns new connections for 25kV alternating current supplies of railway traction loads to be connected to licensed transmission and distribution networks.
- + Our response commented on clause 12.9 of EREC P24 Issue 2, its references to the BSC and requirements for metering. We also suggested a number of changes to the text.

This consultation response is available in full on the [industry insights](#) page of the ELEXON website.

### Risk Operating Plan 2020/21 Consultation

The Risk Operating Plan (ROP) has undergone a re-assessment as part of the Performance Assurance annual cycle taking into account changes to Risk Impacts as outlined in the Risk Evaluation Register 2020/21. The risks to Settlement have been identified and evaluated in line with the [Risk Evaluation Methodology](#) approved for 2019/20.

To help us process your response, please email your completed response form to [risk@elexon.co.uk](mailto:risk@elexon.co.uk) by 15 May 2020.

### GSP Group\_A metering Issue

ELEXON identified an error with the Metered Volumes for a single Grid Supply Point (GSP) from 22 May 2019 to 12 February 2020. ELEXON has worked with the Central Data Collection Agent (CDCA) and the Registrant for the GSP to correct this error. The subsequent correction of the error and affected Settlement Data may impact BSC Parties' Trading Charges.

Further information, including what caused the error in the data Settlement and how Trading Charges may be impacted, can be found at the following [link](#).



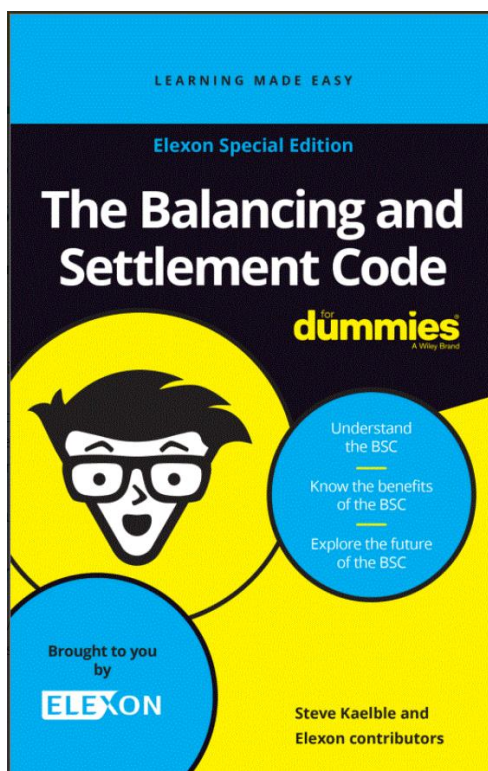


## ELEXON launches new Balancing and Settlement Code for Dummies

In a first for any energy code administrator, ELEXON has worked with publisher, Wiley, to launch a new book 'The Balancing and Settlement Code for Dummies' which provides a simple overview of the BSC and wholesale electricity market arrangements.

Wiley's well-known series of 'for Dummies' books are a popular set of guides that help people learn about a range of topics. This new book is aimed at people who have either just started a new role with a company that operates in the wholesale electricity market, or are interested in the energy sector.

The book is available to download from our [website](#).



## ELEXON seminar: 'Introduction to the energy market' videos available

ELEXON has [published videos](#) for our April 'ELEXON seminar: Introduction to the energy market' which had to be cancelled due to the COVID-19 pandemic. The topics covered are:

- + Introduction to ELEXON
- + The BSC – the basics
- + Imbalance Settlement
- + Imbalance Prices
- + Supplier Volume Allocation
- + Performance Assurance Framework
- + New Technologies: Opportunities and Challenges

Please feel free to contact the Communication Team at [communications@elexon.co.uk](mailto:communications@elexon.co.uk) if you have any questions.



## IV. Industry News

### European and Brexit Developments

#### Future UK-EU trading agreement

Formal UK–EU future trade agreement negotiations commenced in March 2020. However, they were almost immediately interrupted by the coronavirus pandemic, and negotiations have only recently restarted.

The pandemic also caused Ofgem to review [its priorities](#). With regards to Europe it noted (on 16 April 2020) that decisions on cross-border market arrangements, which we assume includes all EU-driven work, and some code and licence modifications are still priority work. But that ‘these may run to a slower timeline than usual’. It added ‘we will reassess these regularly and will update activities where needed.’

However, we are still seeking to ascertain how this might impact the decisions on exemptions or derogations from European legislation that we believe will be required during 2020 (on 15 minute settlement; and, separately, on a balancing energy clearing price, which would change settlement of the Balancing Mechanism).

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

#### Electricity Balancing Guideline (EB GL)

On 24 April 2020, National Grid ESO announced a [delay](#) to implementing the necessary changes that will enable industry parties in Great Britain to participate in Project TERRE. The delay is expected until the end of October 2020 at the earliest, and is the consequence of constraints and uncertainties owing to the COVID-19 pandemic.

Previously, Ofgem had agreed a derogation in November 2019 to National Grid ESO, stating then that TERRE must be implemented in GB by the end of June 2020. In its public statement, National Grid ESO said that, due to the current global uncertainty created by COVID-19, it was delaying the GB Go-Live for Project TERRE for two reasons:

- + to move core colleagues back from project roles to operational roles; and
- + it could not deploy access the European Replacement Reserve market until it is also deployed in France – noting that the French Transmission System Operator (TSO) already had taken the decision to delay implementation due to the virus.





ELEXON is now working closely with National Grid ESO to assess the impact of the delay and establish a revised plan to meet the new timescales, which we will share once formalised. Our industry testing team will be in touch with relevant parties who are participating in industry testing separately to discuss the impact of re-planning.

## Other

Steve Wilkin, who created the role of European coordination for ELEXON and has led ELEXON's Europe-facing position since 2010, retired in early May 2020. Chris Wood, who the Panel will know from his work for ELEXON on BSC Modifications and Brexit matters, has taken over this work.

## Flexitricity becomes first Virtual Lead Party to have Bids and Offers accepted by National Grid ESO

National Grid ESO accepted bids and offers on Thursday 23 April from Flexitricity as a 'Virtual Lead Party' (VLP) under new arrangements introduced by ELEXON and National Grid ESO in December 2019.

These arrangements allow Wider Access to the electricity Balancing Mechanism for companies that can co-ordinate demand side response offers from consumers, and manage output from small generators and batteries.

Flexitricity has been providing electricity to the high voltage network and using excess electricity from the grid at other times to help National Grid ESO to keep the system in balance. See more detail in the Balancing/Physical section of our [Balancing Mechanism Reporting Service](#).

## V. Electricity Market Reform news

### EMR Circulars

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

- + **EMRC209:** Stress Event Improvement Programme for 2020 – Metered Data Report to be implemented on the EMRS Portal
- + **EMRC208:** Supplier CM Demand Forecast 2020-21
- + **EMRC207:** BEIS advances loan to support Interim Levy Rate for the current Quarterly Obligation Period
- + **EMRC206:** Summer 2020 Baseload Market Reference Price

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





## VI. Cross Code News

### Ofgem Market Wide Half Hourly Settlement (MHHS)

The Architecture Workgroup (AWG) met on 24 March 2020 where it focussed on progressing the completion of registration data interfaces for the Target Operating Model (TOM) services. The group agreed that the specifics needed to be addressed by both the AWG and Code Change and Development Group (CCDG) and as such, a co-ordinated sub-group was formed.

This CCDG/AWG sub-group met on 1 April 2020 and completed its initial activity in progressing towards providing a methodology which may be used consistently and emulated for all data interfaces. However, undertaking an additional sub-group is likely to push out the delivery timeline of the solution architecture document for consultation. This is currently being discussed and will then need to be re-planned.

The CCDG met on 3 April 2020 to further develop the lower-level detail needed to turn the Design Working Group's (DWG's) MHHS TOM into BSC legal drafting. In parallel, ELEXON and Ofgem have been working with other code bodies to identify the potential changes to their impacted Industry Codes, and the results of this will be presented at a further CCDG meeting in late April. Due to COVID-19, we are progressing the CCDG's work through a combination of Skype meetings and offline working with members.

A planning workshop with Ofgem took place on 17 April 2020 to agree scope, deliverables and timeline for the CCDG /AWG sub-group which will identify the business requirements for data exchange required by the AWG to complete the interface specifications for the TOM services set out by the DWG and the CCDG. This work is likely to complete in July and so some activities in the AWG workplan will need to be pushed out. A prioritisation approach is likely to be developed in the coming weeks.

### Smart Meter consultation including changes to the BSC

BEIS is consulting on whether the smart Meter Data Communications Company (DCC) should be required to provide an enrolment service for EDM1 (Meter manufacturer) SMETS1 (Smart Metering Equipment Technical Specification) meters.

BEIS also seeks views on proposed regulatory amendments on five separate topics related to the implementation of the Smart Metering Implementation Programme, including the BSC. The consultation proposes that the BSC Panel provides support and information to the SEC Panel. This would involve the BSC Panel assisting the SEC Panel in resolving disputes about which identification codes used in registration data should be associated with which electricity Supplier.

ELEXON supports the proposals and we encourage BSC Parties to respond if they have any views on the [consultation](#). Responses or any enquiries should be submitted to [smartmetering@beis.gov.uk](mailto:smartmetering@beis.gov.uk) by 5pm on 11 May 2020.

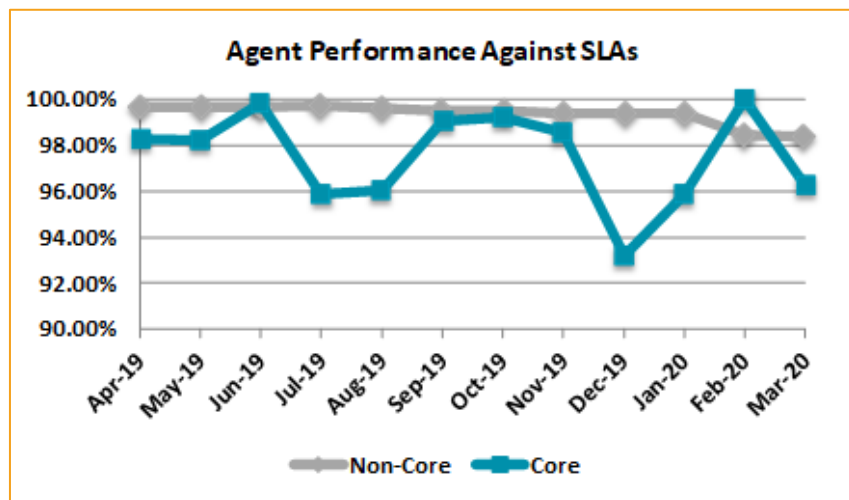
### Multiple Suppliers Modification P379

The BSC Panel have agreed that work on [P379 'Multiple Suppliers through Meter Splitting'](#) is delayed due to the COVID-19 situation and industry prioritising operation work/issues. Therefore, focus is on our Cost Benefit Analysis work where the scope is being drafted and agreed by the Workgroup.

We received a letter from the SEC Panel Chair on 9 April 2020 requesting ELEXON work with SEC on developing smart Meter solutions which is welcome as we were already in dialogue with them and work will proceed while the Cost Benefit Analysis is running.



## VII. Key Performance Indicators Spot Light



### Supplier Performance

Core services had a high availability in March. There was one hour of intermittent availability on the Balancing Mechanism Reporting System (BMRS) recording a Service Level Agreement (SLA) failure. However a series of process errors in March have resulted in a deterioration in the service. Incidents occurring on CDCA, Central Registration Agent (CRA), Funds Administration Agent (FAA), Settlement Administration Agent (SAA) and Supplier Volume Allocation Agent (SVAA). Customers have been impacted with late and replacement data on four occasions. There were also four Parties specifically affected by process errors that were resolved without financial impact. Additional controls have been progressed to mitigate repeat of the process errors.

#### Core Systems

- + BMRS – The BMRS had intermittent access on 25 March between 9:30 (GMT) and 10:30 (GMT).
- + CDCA – The CDCA released a duplicate Aggregated Meter Flow Volume Reports for a Dispute Final (DF) Run, this was resolved with no impact to BSC Parties.
- + CRA – Two registration forms were not processed in the required BSCP timescales. This was subsequently processed before the effective from date.
- + FAA - Manual error identified within day and correct without financial impact to the two BSC Parties affected.
- + SAA - There were three instances where the SAA-I014 were not delivered on time (in accordance with the Settlement Calendar). A data issue on 19 March, resulted in all customers receiving the SAA I014 II report (Settlement Date 12 March 2020), R1 report (Settlement Date 30 January 2020) and R3 report (Settlement Date 16 August 2019) two days late. Following a process error, the SAA- I014 R2 report (Settlement Date 25 November 2019) contained inaccurate demand data. ELEXON re-issued the report and replacement Advice Notes to BSC Parties. On 6 March, ELEXON Portal users were not able to access SAA-I014 (subflow 2) for one Settlement Date/Run. This was available two days late.
- + SVAA - Due to manual error, two items were not loaded in MDD and a republish was required. BSC Parties were notified prior to the effective dates to minimise impact.





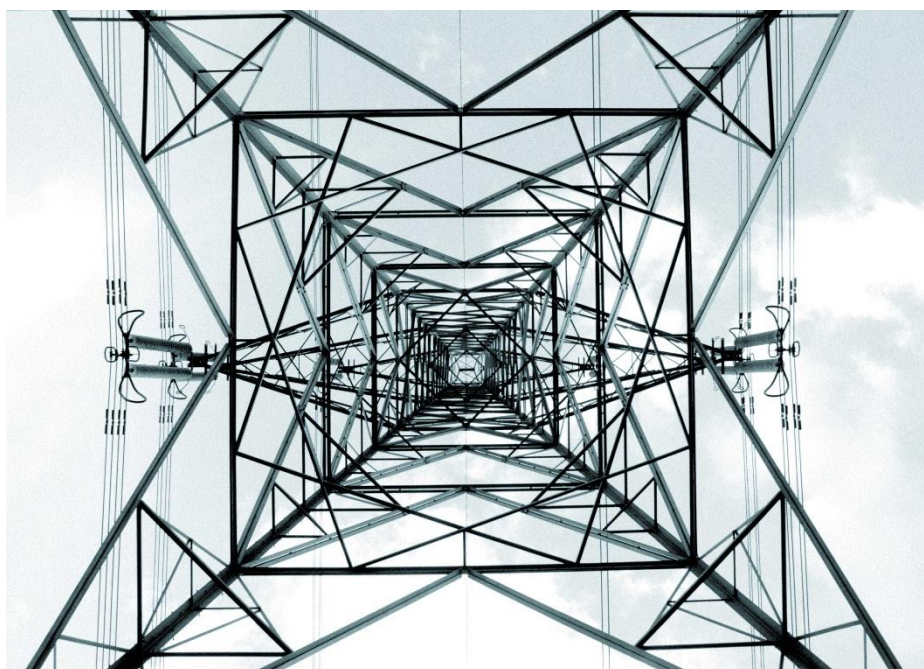
## VIII. Summaries of Panel Business – Tabled

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.

## IX. Recommendations

We invite the BSC Panel to:

- a) **NOTE** the contents of this paper.



## Attachments

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

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