

MINUTES

MEETING NAME	BSC Panel
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Meeting number	302
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Date of meeting	Thursday 14 May 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 (and Alternate for DD)
	Colin Down	CD	Ofgem Representative
	David Lane	DL	DNO Representative
	Lisa Waters	LW	Industry Panel Member
	Tom Edwards	TE	Industry Panel Member
	Stuart Cotton	SC	Industry Panel Member
	Rhys Kealley	RK	Industry Panel Alternate (Alternate for MD)
	Mark Bellman	MBe	Industry Panel Member
	Ed Rees	ER	Consumer Panel Member (and Alternate for SH)
	Derek Bunn	DB	Independent Panel Member
	Jon Wisdom	JW	NGESO Panel Member
	Mark Bygraves	MB	ELEXON CEO
	Victoria Moxham	VM	ELEXON Director of Customer Operations, Panel Secretary
	Claire Kerr	CK	Panel and Committee Support Manager
	Lawrence Jones	LJ	Modification Secretary
	Andrew Grace	AG	ELEXON (Part Meeting)
	Faysal Mahad	FM	ELEXON (Part Meeting)
	Craig Murray	CM	ELEXON (Part Meeting)
	Nathan Flood	NF	ELEXON (Part Meeting)
	Chris Wood	CW	ELEXON (Part Meeting)
	Emma Tribe	ET	ELEXON (Part Meeting)
	Jamie Webb	JW	NGESO (Part Meeting)
	Louise Trodden	LW	NGESO (Part Meeting)
	Will Jones	WJ	NGESO (Part Meeting)
Apologies	Mitch Donnelly	MD	Industry Panel Member
	Diane Dowdell	DD	Independent Panel Member
	Stew Horne	SH	Consumer Panel Member

1. Introduction

- 1.1 MB began by explaining the delayed start was due to ELEXON being the subject of a targeted cyber-attack overnight. Currently core BSC and EMR settlement is unaffected but ELEXON's own internal network is down including emails. Investigations were ongoing and industry will be kept updated via our website. The issue was exacerbated by remote working due to COVID-19.
- 1.2 The Chair noted apologies from Diane Dowdell, Stew Horne and Mitch Donnelly and noted their Alternates.

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MODIFICATION AND CHANGE BUSINESS (OPEN SESSION)

IWA: Initial Written Assessment | **AC:** Assessment Procedure Consultation | **AR:** Assessment Report

RC: Report Phase Consultation | **DMR:** Draft Modification Report

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

- 2.1 The Modification Secretary presented the Change Report, highlighting three new Modification Proposals and that Urgent Modification Proposal [P406 'Temporary disapplication of Supplier Charge Serials SP08 and SP04 due to COVID-19'](#) was approved by Ofgem on 5 May 2020 and was implemented on 11 May 2020.
- 2.2 The Modification Secretary also noted that a new Issue had been raised to consider if ELEXON could administer the tender and oversight of a Market Maker on behalf of the market and what sort of service market participants would want a Market Maker to provide. It is also an opportunity to discuss if ELEXON is not the right organisation to run a tender, who else could be considered to undertake this role if required.
- 2.3 Following last month's agreed BSC Change prioritisation approach in response to COVID-19, the three new Modifications would need to be 'triaged' against the three criteria agreed. The Modification Secretary recapped the agreed approach and proposed that this approach was reviewed periodically, starting at the meeting on 11 June 2020.
- 2.4 For the record, the Modification Secretary also reviewed the existing Modifications that had not yet been submitted for decision against the prioritisation criteria, noting that in-flight changes had not been stopped, but had been staggered to ease the burden on market participants (see slide 6 of the public slides).
- 2.5 The Modification Secretary also presented the impact the prioritisation had had on the Modification progression timelines.
- 2.6 Last month, the Modification Secretary noted that NETSO was running a 'mop up' consultation on BSC Modifications approved since 4 August 2019 that impact the conditionally approved EBGL Article 18 terms and conditions. At this month's meeting he confirmed the consultation had closed with no responses. NETSO had now submitted these Modifications to Ofgem to decide whether the BSC text for these Modifications should constitute EBGL Article 18 terms and conditions. A decision is expected by 25 June 2020, the day the EBGL Article 18 terms and conditions are due to come into force in Great Britain.
- 2.7 Any amendments to the conditionally approved Article 18 terms and conditions will need to be reflected in the BSC mapping. The Article 18 mapping will be included in the BSC, subject to [P392 'Amending the BSC change process to incorporate the delegation of NGESO's powers and obligations under the EBGL to change EBGL Article 18 terms and conditions'](#) approval. A new Modification will be presented at the July 2020 Panel meeting, following Ofgem approval of P392 and the EBGL amendments as consulted on in the 'mop up' consultation.
- 2.8 The Panel also approved a three month extension to the [P376 'Utilising a Baseline Methodology to set Physical Notifications for Settlement of Applicable Balancing Services'](#) and [P402 'Enabling reform of residual network charging as directed by the Targeted Charging Review'](#) Assessment Procedures, noting the reasons, and that the Assessment Reports would be presented by the September 2020 Panel meeting or earlier, if possible.
- 2.9 The BSC Panel:
 - a) **APPROVED** a three-month extension to the P376 Assessment Procedure;
 - b) **APPROVED** a three-month extension to the P402 Assessment Procedure; and
 - c) **NOTED** the contents of the May Change Report.

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3. P407 'Project MARI' IWA – (302/05)

- 3.1 A Panel Member queried whether National Grid ESO would be able to physically deliver the balancing product and whether this had been accounted for. ELEXON confirmed that National Grid ESO had been engaging with its own control room staff who had confirmed that there should be no physical limitations.
- 3.2 A Panel Member queried what processes are in place to avoid ELEXON (and NGESO) proceeding with MARI ahead of neighbouring Transmission System Operators (TSOs) and incurring unnecessary costs. ELEXON and the ESO representative highlighted that TERRE currently has limited participation for TSOs (10 maximum) but that there are already 25+ TSOs signed up for MARI. This means that NGESO is not reliant on one neighbouring TSO (France) like they are under TERRE, but could go-live with the Belgian and Netherlands TSOs. ELEXON noted that the EBGL requires that MARI is tested by two TSOs prior to the platform going live in 2022.
- 3.3 A Panel Member queried whether interconnectors can physically respond to a direction. National Grid ESO confirmed that this is currently a concern and that they are aware of the risk. They are therefore looking to address this issue and engage with interconnectors early in the process. ELEXON added that they had developed a communications strategy and had identified Interconnectors as key stakeholders and would reach out to them prior to the first Workgroup.
- 3.4 A Panel Member suggested that it would be useful for a risk register to be kept. National Grid ESO noted that over the past six months, it and ELEXON had built a project plan together which includes risk registers. These include who they need to contact and by when.
- 3.5 A Panel Member was strongly of the view that National Grid ESO should be prioritising work on more important changes. They observed that industry does not yet know if the TERRE systems work and did not believe that enough volunteers would be obtained to attend workgroups. They also queried why ELEXON/National Grid ESO was not waiting for more certainty on these changes and then delivering them late. National Grid ESO emphasised that there is a legal obligation for them to deliver MARI so they are duty-bound to do deliver those changes.
- 3.6 A Panel Member queried whether break/trigger points could be reported back to the Panel so that these could be kept under review. ELEXON agreed that this was sensible and so would report back as and when it believed these were necessary.

ACTION 302/01

- 3.7 The BSC Panel:
- a) **AGREED** that 407 progresses to the Assessment Procedure;
 - b) **AGREED** the proposed Assessment Procedure timetable;
 - c) **AGREED** the proposed membership for the P407 Workgroup; and
 - d) **AGREED** the Workgroup's Terms of Reference.

4. P408 'Simplifying the Output Usable Data Process as a consequence of GC0130' IWA – (302/06)

- 4.1 ELEXON highlighted that the recommendation in the IWA for the Implementation Date was detailed as 25 February 2021. However, under [Grid Code Modification GC0130: 'OC2 Change for simplifying 'output useable' data submission and utilising REMIT data'](#), ELEXON noted that National Grid ESO is trying to arrange the software ready for release by the end of November 2020 so an end of November 2020 date would be preferable.

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- 4.2 The Panel agreed for the Implementation Date to be amended to 27 November 2020 subject to the finalisation of a delivery plan between ELEXON and National Grid ESO. If not, the 25 February 2021 date would be used as a back-up.
- 4.3 The BSC Panel:
- a) **AGREED** that P408 progresses directly to the Report Phase;
 - b) **AGREED** that P408;
 - i) **DOES** better facilitate Applicable BSC Objective (a);
 - ii) **DOES** better facilitate Applicable BSC Objective (b); and
 - iii) **DOES** better facilitate Applicable BSC Objective (c);
 - c) **AGREED** an initial recommendation that P408 should be approved;
 - d) **AGREED** an initial Implementation Date of:
 - i) 27 November 2020 subject to the finalisation of the delivery plan between ELEXON and National Grid; or
 - ii) 25 February 2021 if the delivery plan cannot be finalised in time;
 - e) **AGREED** the draft legal text;
 - f) **AGREED** an initial view that P408 should be treated as a Self-Governance Modification; and
 - g) **NOTED** that ELEXON will issue the P408 Draft Modification Report (including the BSC legal text) for a 10 Working Day consultation and will present the results to the Panel at its meeting on 11 June 2020.

5. P409 'Aligning BMRS Reporting Requirements with the Clean Energy Package' IWA – (302/07)

- 5.1 The BSC Panel:
- a) **POSTPONED** the assessment of P409 to the 11 June 2020 Panel meeting.

6. P390 'Allowing extensions to ELEXON's business and activities, subject to additional conditions' DMR – (302/08)

- 6.1 The BSC Panel:
- a) **AGREED** that P390:
 - i) **DOES** better facilitate Applicable BSC Objective (c); and
 - ii) **DOES** better facilitate Applicable BSC Objective (d);
 - b) **AGREED** a recommendation that P390 should be approved;
 - c) **AGREED** that P390 should not be treated as a Self-Governance Modification;
 - d) **APPROVED** an Implementation Date for P390 of:
 - i) 5 Working Days following a decision from the Authority;
 - e) **APPROVED** the draft legal text; and
 - f) **APPROVED** the P390 Modification Report.

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7. P392 'Amending the BSC change process to incorporate the delegation of NGESO's powers and obligations under the EBGL to change EBGL Article 18 terms and conditions' DMR – (302/09)

7.1 The BSC Panel:

- a) **AGREED** that P392:
 - i) **DOES** better facilitate Applicable BSC Objective (a);
 - ii) **DOES** better facilitate Applicable BSC Objective (d); and
 - iii) **DOES** better facilitate Applicable BSC Objective (e);
- b) **AGREED** a recommendation that P392 should be approved;
- c) **APPROVED** an Implementation Date of:
 - i) 25 June 2020 if an Authority decision is received on or before 18 June 2020;
- d) **APPROVED** the draft legal text; and
- e) **APPROVED** the P392 Modification Report.

8. P405 'Allow notices via email where currently prohibited' DMR – (302/10)

8.1 The BSC Panel:

- a) **AGREED** that P405:
 - i) **DOES** better facilitate Applicable BSC Objective (d);
- b) **DETERMINED** (in the absence of any Authority direction) that P405 is a Self-Governance Modification;
- c) **APPROVED** P405;
- d) **APPROVED** an Implementation Date of:
 - i) 8 June 2020, the day after the P405 Self-Governance window closes;
- e) **APPROVED** the draft legal text;
- f) **APPROVED** the draft redlined change to the Code Subsidiary Documents; and
- g) **APPROVED** the P405 Modification Report.

9. Issue 81 'Determining the benefits of Run-up/Run-down rates and Last Time to Cancel Synchronisation (LTCS) publication on BMRS' – (302/11)

9.1 ELEXON presented the Issue 81 Issue Group report.

9.2 The BSC Panel:

- a) **NOTED** the Issue 81 Report.

10. Considering the opportunity for flexibility in the disapplication of Supplier Charges due to COVID-19 – (302/12)

10.1 The BSC Panel:

- a) **POSTPONED** the assessment of the paper until 11 June 2020 Panel meeting; and
- b) **AGREED** that the Performance Assurance Board would continue to monitor and make recommendations to the Panel if need be.

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11. P379 'Cost Benefit Analysis high level scope – (302/13)

- 11.1 A Panel Member had reservations as to whether ELEXON should carry out the cost/benefit analysis and suggested that it might be more sensible to seek external expertise that would give Ofgem a more robust base on which to make its decisions. Another Panel Member agreed, noting that the costs could outweigh the benefits and so this broader perspective should be sought externally.
- 11.2 A Panel Member believed Ofgem would be best placed to carry out this work. ELEXON noted that Ofgem had previously agreed to carry out its own cost/benefit analysis, taking into account ELEXON's findings, similarly to [P272 'Mandatory Half Hourly Settlement for Profile Classes 5-8'](#). Another Panel Member agreed that a third party should be the one to assess the hard and soft costs. This would ensure that the assessment of the Modification as a whole would present a balanced view as it would take into account both innovation and competition.
- 11.3 A Panel Member noted that the SEC Panel had considered customer experience and broad consumer costs and benefits for its work. They therefore suggested that the SEC Panel would be a useful sounding board.
- 11.4 The Panel therefore agreed for ELEXON to explore the possibility of external consultants to assess the cost/benefit analysis for P379. The Chairman asked Panel Members to provide any comments on the content of the P379 CBA scope and approach following the Panel meeting.

ACTION 302/02

- 11.5 The BSC Panel:
 - a) **NOTED** the contents of the paper; and
 - b) **AGREED** for ELEXON to explore the possibility of external consultants to carry out the cost/benefit analysis.

12. Approval of BSCP201 Amended for the June 2020 Release – (302/14)

- 12.1 The BSC Panel:
 - a) **APPROVED** version 5.3 of BSCP201 for the May 2020 Standalone Release; and
 - b) **NOTED** that version 6.0 of BSCP201 will become effective on 28 May 2020.

NON-MODIFICATION BUSINESS (OPEN SESSION)

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

- 13.1 The BSC Panel approved the amended draft of the minutes for BSC Panel meetings 301 and 301A. ELEXON presented the actions and associated updates for the May 2020 Panel meeting.

14. Chairman's Report (Verbal)

- 14.1 The Chairman highlighted that he and the CEO had spoken to Jonathan Brearley, CEO of Ofgem, who had confirmed that a number of its strategic initiatives had been delayed or put on hold due to COVID-19. However, he noted that these would be up and running again as soon as practically possible.
- 14.2 The Chairman noted that Jonathan had agreed to be the key speaker at the virtual Annual BSC Meeting due to take place on Thursday 9 July 2020. No other guest speakers would be present.
- 14.3 The Chairman also highlighted an article in Utility Week which complimented ELEXON on the way it had continued to provide all its support and services despite COVID-19 and the proactive steps taken to support industry. The Panel requested for this to be circulated for it to view.

ACTION 302/03

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15. ELEXON Report (302/01)

- 15.1 MB noted that since the ELEXON Report 302 was issued, Ofgem had issued a consultation on the business case for its Market Wide Half Hourly Settlement (MWHHS). He highlighted that this includes details of the direct benefit to industry (between £1.6 billion-£4.6 billion over a 25 year period) and the wider benefit (between £2.3 billion-£7.3 billion). The consultation also seeks views on how the project should be rolled out. MB noted that no deadline had been given for consultation responses but that Ofgem had assured industry that it would give 10 weeks' notice before this would be due. ELEXON confirmed that it would be sharing its views with Ofgem. Part of the consultation focused on implementation and one identified option was for programme management to be led by an industry body.
- 15.2 MB also noted the letter from Ofgem to all the Code Bodies which had been circulated by the Panel Secretary on 30 April 2020.
- 15.3 The BSC Panel:
- a) **NOTED** the report

16. Distribution Report

- 16.1 The DNO Representative noted that there had been some difficulties with the implementation of the Targeted Charging Review (TCR).
- 16.2 In relation to provisions under [P222 'Provision of EAC and AA data to Distributors'](#), the DNO Representative asked the Panel to note that a Non Half Hourly Data Aggregator (NHHDA) was preventing a Distribution System Operator (DSO) from carrying out its work. However, ELEXON was working with the NHHDA to deal with the issue.
- 16.3 The DNO Representative noted that there is still time to resolve the issue as the next run is in August but that if this could not be done, it would be referred to the PAB and have significant issues for the DSO.

17. National Grid Report

- 17.1 The NGESO Panel Member highlighted that it was a challenging time operating the systems given the current climate. He also mentioned that the system was continuing to run coal-free running due to the low demand.
- 17.2 The NGESO Panel Member also noted that National Grid ESO had revised its [forward work plan](#) due to COVID-19. A Panel Member queried whether this contains flow-through to Modifications. The NGESO Panel Member clarified that it does not; it is an overview of National Grid ESO's priorities.

18. Ofgem Report

- 18.1 The Ofgem Representative noted that in relation to Electricity System Operator (ESO) performance, it had asked for stakeholder feedback for 2019/2020 by 14 May 2020. However, due to COVID-19, it would consider any late responses.
- 18.2 The Ofgem Representative also highlighted that Ofgem had published its [formal opinion](#) on the ESO's forward work plan.

NON-MODIFICATION BUSINESS (OPEN SESSION)

19. 2019/20 BSC Audit Within Period Revision – (302/15)

- 19.1 ELEXON provided an update on the impact of the COVID-19 pandemic and associated lockdown on the 2019/20 BSC Audit, and provided an alternative scope and schedule for the BSC Audit report delivery.
- 19.2 The BSC Panel:

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- a) **NOTED** the operational issues experienced by a BSC Agent impacting on the 2019/20 BSC Audit schedule;
- b) **COMMENTED** on the revised CVA Audit schedule, and
- c) **APPROVED** the proposed revision to the BSC 2019/20 Audit scope.

20. COVID-19 estimation derogations and associated monitoring update – (302/04)

- 20.1 ELEXON provided the Panel with an update on the management and monitoring of Settlement Risk relating to derogations introduced to ease the burden on BSC Parties and Party Agents in response to COVID-19 and the associated lockdown.
- 20.2 The BSC Panel:
 - a) **NOTED** the update provided.

21. Panel Strategy Approach – (Verbal)

- 21.1 The Panel Secretary noted that the Chairman, two Panel Members and herself had met to go through the content of the 2019/2020 Panel Strategy and had all inputted some comments for consideration.
- 21.2 ELEXON has started re-drafting the Panel Strategy for 2020/2021 and wished to receive some input from the Panel in relation to its design and content.
- 21.3 The Panel Secretary highlighted the six section headings from the previous strategy. She noted that she would be including an additional section in acknowledging the impacts of COVID-19 and that it would be important to identify known BSC Issues as well as resolution of BSC issues highlighted in the previous strategy i.e. post-implementation reviews. A Panel Member also suggested that the Panel's values need to be re-iterated as well as emphasising the Panel's quality of judgement in its assessment of both Modifications and other items.
- 21.4 The Panel Secretary queried whether Panel 'Strategy' is the right word or whether the Panel would prefer 'Workplan' instead. A Panel Member was of the view that 'Strategy' is still the right word as the idea is for the Panel to be able to display its intention going forwards. The Panel agreed for this to continue to be named as the Panel Strategy.
- 21.5 The Panel Secretary noted that this is a Panel-document and therefore queried whether Panel would like the Panel Strategy to be in a format subtly different to ELEXON's documentation. The Panel agreed that it would be sensible for it to stand out as a separate Panel document. The Panel Secretary agreed to craft the document into a new format and receive comments when it is presented to the Panel for their review.
- 21.6 The Panel Secretary also queried how forward-looking the Panel would like its strategy to be i.e. one-two years or one-five years. A Panel Member suggested that one-two years is sensible given the current times. The Chairman also noted that two years is useful given that Panel Members have a two year term. The Panel Secretary agreed to focus the document on the next two years.
- 21.7 A Panel Member suggested that the Panel Strategy should include a clear statement on what it is trying to achieve, noting that it has taken various forms over the previous years. Another Panel Member suggested that a few well thought out actions should be included rather than lots of small intentions. The Panel therefore agreed that a formal action plan should be included.
- 21.8 A Panel Member suggested that it might be useful for the Panel to carry out a more targeted approach by obtaining input and validation from outside of the Panel. The Panel agreed that this is something that should be considered i.e. if it is circulated, to who should it be circulated to.
- 21.9 The Panel also agreed that an 'assessment of success' section should be included in the 2020/2021 Panel Strategy. This will then enable the Panel, as well as industry to measure its success.

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- 21.10 The Panel Secretary agreed to circulate the Panel Strategy prior to the June 2020 meeting for review and comment.

ACTION 302/04

- 21.11 The BSC Panel:

a) **NOTED** the update provided.

22. Any other business

- 22.1 A Panel Member was of the view that the EDF contract to turn down output and the ODFM to shut off other plants are energy products and therefore queried whether they should form part of the cashout calculation that the ESO sells. ELEXON agreed to take this query away to discuss with the ESO.

ACTION 302/05

- 22.2 The Panel Secretary noted that it needed to remind the Panel of its obligation in relation to Black Start in having to set the imbalance price.
- 22.3 The Panel Secretary also noted that the Fuel Security Code needs reviewing as it is not as comprehensive as it could be.
- 22.4 The Panel Secretary also highlighted that the Panel Elections process for 2020 would be starting at the end of June 2020.

23. Next Meeting

- 23.1 The next meeting of the BSC Panel will be held remotely on Thursday 11 June 2020.
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