

# ELEXON REPORT

<b>MEETING NAME</b>	BSC Panel
<b>Date of meeting</b>	11 June 2020
<b>Paper number</b>	303/01
<b>Owner/author</b>	Mark Bygraves
<b>Purpose of paper</b>	For Information
<b>Classification</b>	Public
<b>Summary</b>	This paper provides a summary of recent issues and developments relevant to BSC and ELEXON since the last Panel meeting.

## 1. Overview

- 1.1 This paper is provided for the information of the Panel. It presents an overview of activities and developments within ELEXON and the balancing and settlement arrangements and summarises key business of the Panel meeting. Detailed information on operational matters will be provided in other reports, particularly the Trading Operations Report.

## 2. ELEXON News

### Cyber-attack on 14 May 2020

- 2.1 On Thursday 14 May 2020, ELEXON experienced a sophisticated cyber-attack on its internal IT systems. We have identified the root cause and since then we have been working hard to resolve the issue. Given the type and level of data that we hold, we do not believe consumers are at risk.
- 2.2 The BSC Central Systems are hosted and operated on a secured infrastructure by a third party service provider and this is separate to ELEXON's own IT. There are no communications link or data traffic between the BSC Central Systems and the internal ELEXON network which was impacted by this incident. The security of the BSC Central Systems is integral to the design and operation and at this time security has been further enhanced.
- 2.3 Whilst this IT work is ongoing, BSC Parties can contact us through the following channels:
- By calling their [Operational Support Managers \(OSMs\)](#); or via
  - Email at [communications@elexon.co.uk](mailto:communications@elexon.co.uk).
- 2.4 We have been keeping our customers informed throughout the incident with information published to our BSC Portal, social media and our website. We will send further updates as things change but in the meantime if anyone has any questions please contact our externally hosted help desk on 0370 010 6950 or via email [bscservicedesk@cqi.com](mailto:bscservicedesk@cqi.com).
- 2.5 Please note that due to the continuing impacts of the cyber-attack, it is not yet possible for us to issue any of the scheduled analysis reports. This only impacts on the reports that are created and emailed out by ELEXON individuals, or group mailboxes. Examples include our Operational Support Manager (OSM) Weekly Reports and Large Estimate of Annual Consumption / Annualised Advance (EAC/AA) Reporting.
- 2.6 Any data or reports sent out via dataflows or directly from our central systems teams such as SAA-I014 and ELEXON Billing are unaffected and will continue to be sent in line with the expected schedule. As soon as we can confirm any dates or timelines for when the scheduled analysis reports will be available to send out we will update you, via your Operational Support Manager (OSM), and through Newscast. Apologies for any inconvenience caused.

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## Consultation Responses

- 2.7 We have not responded to any consultations since our last update to the Panel.
- 2.8 Previous consultation responses are available on the [industry insights](#) page of the ELEXON website.

## 3. Coronavirus (COVID-19 News)

### Continuity of BSC and EMR services

- 3.1 ELEXON is doing everything to assure the continuity of the services provided under the BSC and EMR. We are helping to ease the burden of our Parties who may be experiencing difficulties at this time.
- 3.2 Actions taken by ELEXON, the BSC Panel and Panel Committees are set out on our dedicated Coronavirus [webpage](#) and we will also communicate any major changes to ELEXON or the BSC via our regular channels.

### Delay to the finalisation of BSC Audit ISAE 3000 Opinion

- 3.3 The COVID-19 pandemic has impacted the completion of the BSC Auditor's fieldwork testing which supports its 2019/2020 International Standard on Assurance Engagements (ISAE) 3000 Opinion.
- 3.4 At its May 2020 meeting, the BSC Panel approved a revision to the timescales of the report delivery. The ISAE 3000 Opinion will now be delivered to the Performance Assurance Board (PAB) at its September 2020 meeting, and to the BSC Panel at its October 2020 meeting. This is subject to any updated information that may further delay finalising the ISAE 3000 Opinion.
- 3.5 This part of the BSC Audit covers Central Volume Allocation (CVA) Meter Operator Agents (MOAs) and Central Systems and will now be finalised remotely. The delay in the delivery of the ISAE 3000 Opinion allows BSC Parties to prioritise critical business as usual work.

### Optional Desktop Audits

- 3.6 At its March 2020 meeting the Performance Assurance Board (PAB) suspended all Technical Assurance of Metering (TAM) activities in light of the COVID-19 pandemic. ELEXON is offering Parties the opportunity to participate in optional [Desktop Audits](#), while the suspension is in place.
- 3.7 Participation will allow Parties to familiarise themselves with the new process and have access to support from both the Technical Assurance Agent (TAA) and ELEXON where needed. Any non-compliances identified during the audits will be recorded on the Technical Assurance Agent Management Tool (TAAMT). However, the rectification will not be actively chased by ELEXON or the TAA, until the derogation is lifted.
- 3.8 If you are a Half Hourly market participant and would like to learn more about optional Desktop Audits, please contact [taa\\_service@candc-uk.com](mailto:taa_service@candc-uk.com) and cc [TAMetering@elexon.co.uk](mailto:TAMetering@elexon.co.uk).

## 4. Industry News

### European Developments

- 4.1 Ofgem has reviewed [its priorities](#) in the wake of COVID-19. 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'.

### Future UK-EU trading agreement

- 4.2 Formal UK-EU future trade agreement negotiations commenced in March 2020. However, they were almost immediately interrupted by the coronavirus pandemic, but restarted again recently, with progress being widely reported in the media.

- 4.3 The rest of this European section assumes compliance with EU electricity laws during 2020 and notes the beyond-2020 requirements in current EU electricity laws, but which may or may not apply to GB.

## Clean Energy Package

- 4.4 Ofgem published their decision to grant an [exemption from 15-minute Settlement](#) on 20 May 2020. Their decision is based on a 2016 cost-benefit-analysis (CBA). The exemption is required to be reviewed every three years, and they have declared that the 2023 determination will be based on a new CBA. They also added that any future system changes should, where 'there is a low cost of doing so', be able to cope with both 15 and 30-minute Settlement. This will contribute to lower costs should a future CBA suggest high benefit to changing to 15-minute Settlement at any point in time.
- 4.5 We are still waiting on a decision on balancing energy clearing price, which would change settlement of the Balancing Mechanism.
- 4.6 Directive (EU) 2019/944 is the second part of the Clean Energy Package has to have the necessary laws, regulations and administrative provisions necessary to comply brought into force by 31 December 2020 (i.e. the last day of the transition period). Nothing has yet been made public on how this will happen.

## Electricity Balancing Guideline (EB GL)

- 4.7 On 24 April 2020, National Grid ESO announced a delay to its (and so BSC Parties') participation in Trans-European Replacement Reserve Exchange (TERRE), the pan-European balancing platform. This delay will be 'until October at the earliest'. Wider Access to the Balancing Mechanism had already started in December 2019 and is not affected by this delay to TERRE.
- 4.8 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.
- 4.9 In its public statement National Grid ESO said that 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 TSO already had taken the decision to delay implementation due to the virus.
- 4.10 Notwithstanding the delay announced by NGESO, on 29 May 2020 the ELEXON systems investment programme reached a major milestone and successfully deployed the technical changes necessary to enable GB industry parties to join the TERRE platform. This is a technical deployment of the settlement software needed for GB parties to trade on the TERRE platform. The TERRE functionality will not be exercised until the go live in October 2020.
- 4.11 Following the successful implementation of P344 Wider Access in December 2019, ELEXON has now met the commitments to deliver TERRE and Wider Access to the BM on schedule as set out in BSC Modification P344. The postponement of National Grid's market wide testing due to the go live delay until October, will lead to additional costs for ELEXON over this extended period.
- 4.12 National Grid ESO raised BSC Modification [P407 'Project MARI'](#) on 4 May 2020 and GC0145 on 19 May 2020 for project MARI. These are the BSC and Grid Code Modifications to ensure GB Market participants are able to provide manually Activated Frequency Reserve (maFR) when the platform goes live by July 2022.

## 5. Operational News

### May Standalone Release – successfully implemented

- 5.1 Despite the Cyberattack, one Modification was successfully implemented on 28 May 2020:

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- [P403 'BSC Arrangements in the event that the TERRE Market is suspended by National Grid ESO'](#) – P403 provide Market Participants with clarity on how the BSC arrangements will operate in the event that the Project TERRE (Trans-European Replacement Reserves Exchange) market arrangements are suspended.

5.2 We have amended BSC Sections G, Q, X Annex X-1 and BSCP201. If anyone has any further questions, they should contact the [BSC Service Desk](#).

## 6. Electricity Market Reform news

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

- EMRC210: Stress Event Improvement Programme for 2020 – Metered Data Report implemented on the EMRS Portal
- EMRC211: BEIS issues consultation on proposed changes to Supplier Obligation Regulations
- EMRC212: ELEXON's internal IT systems – EMRS operating a restricted service
- EMRC213: Changes to EMRS Authorised Contacts deployed later in June 2020

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

## 7. Summaries of Panel Business – Tabled

7.1 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. Please note that there was no TDC meeting and the ISG was held ex-Committee in June 2020.

7.2 In addition, the March KPI Report will also be delayed until the July Panel meeting.

## 8. Recommendations

8.1 We invite you to:

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

## Attachments

Attachment A – Report from the SVG

Attachment B1 – Report from the PAB (confidential)

Attachment B2 – Report from the PAB (public)

Attachment C – Report from the ISG

### For more information, please contact:

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